

***United States Court of Appeals
for the Second Circuit***



EXHIBITS

74-2131

IN THE
United States Court of Appeals
FOR THE SECOND CIRCUIT

B

MILDRED IVES, MOIRA ROBERTSON & JOYCE CHAPMAN,
on behalf of themselves and others similarly situated,
Plaintiffs-Appellees,

vs.

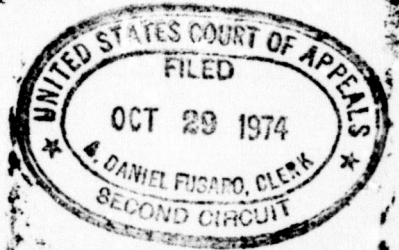
W. T. GRANT COMPANY,
Defendant-Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

APPENDIX AND EXHIBITS

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DOCKET SHEET
IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

MILDRED IVES, MOIRA ROBERTSON and JOYCE CHAPMAN,
on behalf of themselves and all others similarly situated,
Plaintiffs,

vs.

W. T. GRANT COMPANY,
Defendant.

For Plaintiffs:

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For Defendant:

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Wiggin & Dana—205 Church Street, New Haven,
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Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
1972		
6/20	Complaint, Motion for Permission to Proceed in Forma Pauperis with attached affidavits and Order thereon granting same, and Request for Admission, filed and entered. (Newman, J.) Summons issued and together with copies of same and of Complaint, Motion, Order, Affidavits and Request, handed to the Marshal for service. M-6/29/72	
6/28	Motion for Production of Documents, filed by Plaintiffs.	
6/27	Marshal's Return Showing Service, filed.— Summons, Complaint, Motion & Order.	
7/ 7	Interrogatories, filed by Plaintiffs.	
7/ 7	Appearance of William J. Egan and John Q. Tilson and J. Michael Eisner, entered for defendant.	
7/19	Motion for Enlargement of defendant's time to respond or object to Plaintiffs' Interrogatories, requests for production and requests for admissions, to and including August 28, 1972; Notice of Motion and Affidavit, filed by Defendant.	
8/25	Motion to Stay Action and Notice of Motion, filed by Defendant.	
8/25	Motion for Enlargement of Time, to 10 days after decision on Motion to Stay if said motion is denied (to respond or object to plaintiffs' interrogatories, requests for production, and requests for admissions, and to answer or otherwise move with respect to the complaint) and Notice of Motion, filed by Defendant.	
8/28	Motion to intervene and Notice of Motion, filed by Melva Smith.	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
9/19	(1) Defendant's Motion for Enlargement of Time, to 10 days After Decision on Motion to Stay if Said Motion is Denied (To Respond or Object to Plaintiffs' Interrogatories, etc.; (2) Defendant's Motion to Stay Action; and (3) Motion of Melva Smith to Intervene endorsed as follows on all 3 motions: "Motion <i>continued</i> to 10/2/72." Latimer, U.S. Magistrate, M-9/21/72. Copies mailed to all counsel.	
10/ 3	Hearing on (1) Defendant's Motion for Enlargement of Time, to Ten Days After Decision on Motion to Stay, if Said Motion is Denied (To Respond or Object to Plaintiffs' Interrogatories, etc.) "Motion <i>granted</i> "; (2) Defendant's Motion to Stay Action; "Motion <i>denied</i> " and (3) Motion of Melva Smith to Intervene. "Motion <i>off</i> without prejudice." Latimer, U.S. Magistrate. M-10/5/72. Copies mailed to all counsel.	
10/13	Answer to Request for Admission Filed June 20, 1972, filed by defendant.	
10/13	Response to Request for Production of Documents Served by the Plaintiffs on the Defendant, W. T. Grant Company, on June 27, 1972, filed by defendant.	
10/13	Motion to Dismiss, filed by defendant.	
10/31	Notice of Hearing Re Motion to Dismiss, filed by defendant.	
10/31	Memorandum in Support of Defendant's Motion to Dismiss, filed.	
11/10	Motion for Certification of Plaintiffs' Class and Notice of Motion, filed by plaintiffs.	
11/10	Memorandum in Support of Plaintiffs' Motion for Certification as a Class Action, filed.	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
11/10	Motion to Compel Inspection and Copying of Documents and Notice of Motion, filed by plaintiffs.	
11/10	Motion to Compel Answers to Plaintiffs' Interrogatories and Notice of Motion, filed by plaintiffs.	
11/10	Plaintiffs' Memorandum of Law in Support of Motion for Order Compelling Discovery, filed.	
11/13	Memorandum in Opposition to Defendant's Motion to Dismiss, filed by plaintiffs.	
11/14	Motion to Compel Inspection and Copying of Documents and Notice of Motion, filed by plaintiffs.	
11/15	List of Corrections of typographical errors in plaintiff's Memorandum in Opposition to Defendant's Motion to Dismiss filed on Nov. 13, 1972, filed by plaintiffs, together with a pen-corrected copy of the Memorandum.	
11/17	Motion for Summary Judgment and Affidavits, filed by Plaintiffs.	
11/20	Brief and Appendix of Appellants in Givens vs. W. T. Grant Co., filed.	
11/20	Hearing on (1) Defendant's Motion to Dismiss; (4) Plaintiffs' Motion for Certification of Plaintiffs' Class. Decision Reserved on Motions #1 and #4. (2) Plaintiffs' Motion to Compel Answers to Plaintiffs' Interrogatories; (3) Plaintiffs' Motion to Compel Inspection and Copying of Documents (Filed 11/10/72); (5) Plaintiffs' Motion to Compel Inspection and Copying of Documents (Filed 11/14/72) Motions #2, #3 and #5 endorsed as follows: "Motion <i>continued</i> to 12/4/72; cf. Local Rule 10(a)6." Latimer, U. S. Magistrate. M-11/21/72. Copies mailed to all counsel.	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
12/ 4	(1) Plaintiffs' Motion to Compel Answers to Plaintiffs' Interrogatories; (2) Plaintiffs' Motion to Compel Inspection and Copying of Documents; (3) Plaintiffs' Motion to Compel Inspection and Copying of Documents (Filed 11/14/72). "Motion <i>continued</i> to 12/18/72 by agreement of counsel" on all 3 motions. Latimer, U. S. Magistrate. M-12/6/72. Copies mailed to all counsel.	
12/15	Copy of Judgment and Amended Complaint in McFall v. Helton Enterprises of Jackson Inc., filed by Plaintiffs.	
12/18	(1) Plaintiffs' Motion to Compel Answers to Plaintiffs' Interrogatories; (2) Plaintiffs' Motion to Compel Inspection and Copying of Documents (Filed 11/10/72); (3) Plaintiffs' Motion to Compel Inspection and Copying of Documents (Filed 11/14/72); (4) Plaintiffs' Motion for Summary Judgment, endorsed as follows on all (4) Motions, "Motion <i>continued</i> to 1/2/73 by agreement of counsel." Latimer, U. S. Magistrate. M-12/18/72. Copies mailed to all counsel.	
12/27	Motion for Stay of Hearing on Plaintiffs' Motion to Compel Answers to Interrogatories and Motion to Compel Inspection and Copying of Documents and Notice of Motion, filed by defendant.	
12/29	Certificate of Counsel, filed by Plaintiffs.	
1973		
1/ 2	(1) Plaintiffs' Motion to Compel Answers to Plaintiffs' Interrogatories; (2) Plaintiffs' Motion to Compel Inspection and Copying of Documents (Filed 11/10/72); (3) Plaintiffs' Motion to Compel Inspection and Copying of Documents (Filed 11/14/72); Plaintiffs' Motion for Summary Judgment; (4) Plaintiffs' Motion for Summary Judgment;	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
	ment and (5) Defendants' Motion for Stay of Hearing on Plaintiffs' Motion to Compel Answers to Interrogatories, etc., all (5) Motions endorsed as follows: "Motion <i>off</i> without prejudice." Latimer, U. S. Magistrate. M-1/3/73. Copies mailed to all counsel.	
1/ 4	Notice to take Deposition of Mildred Ives on January 16, 1972, filed by defendant.	
1/ 4	Notice to take Deposition of Joyce Chapman on January 16, 1972, filed by defendant.	
1/ 4	Notice to take Deposition of Moira Robertson on January 16, 1972, filed by defendant.	
2/16	Ruling on Pending Motions (entered jointly with Civil #14296) entered. (1) Plaintiffs' motion to stay remand in <i>Givens</i> is denied, and the Clerk is hereby directed to effect remand of said action forthwith to the Court of Common Pleas for New Haven County at New Haven, Connecticut; (2) Defendant's motion to dismiss in <i>Ives</i> is denied on the present record, without prejudice; and (3) Plaintiffs' motion in <i>Ives</i> for an order permitting maintenance of the suit as a class action is continued pending further proceedings consistent with the foregoing opinion. Latimer, U. S. Magistrate. So Ordered. Zampano, J. M-2/20/73. Copies handed Attys Bear, Clendenen and Egan. Copy mailed to Atty Cochran.	
3/ 2	Motion for Preliminary Injunction and Notice of Motion, filed by plaintiffs.	
3/ 5	Supplemental Answers to Interrogatories, filed by defendant.	
3/ 7	Motion for Transcript in Forma Pauperis and Notice of Motion, filed by plaintiffs.	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
3/ 6	<p>Order Re Further Motion Proceedings, entered. In Accordance with the schedule agreed upon by counsel, it is ordered, Counsel are promptly to claim and bring on for hearing or rehearing on April 16, 1973 (a) Plaintiffs' Motion for Summary Judgment (as to counts I, II, IX and X); (b) Plaintiffs' contemplated application for preliminary injunctive relief; (c) Plaintiffs' motion for class action determination; and (d) Defendant's motion to dismiss (at least as to the issues of pendent jurisdiction and applicability of Conn. Gen. Stat. §42-84, etc.). Counsel are to develop the contemplated underlying record for such motions expeditiously, and to file by April 9, 1973 the stipulations, deposition transcripts and other documents composing such record, together with appropriate briefs; any reply briefs may be served and filed by April 13, 1973; and counsel are to appear at 2:00 P.M. on April 16, 1973 for such oral argument of the motions as may be requested by the court. Latimer, U. S. Magistrate. M-3/7/73. Copies mailed to all counsel.</p>	
4/16	<p>(1) Plaintiff's Motion for Summary Judgment as to Counts I, II, IX and X; (2) Plaintiff's Motion for Preliminary Injunction; (3) Plaintiff's Motion for Class Action Determination; (4) Defendant's Motion to Dismiss; and (5) Plaintiff's Motion for Transcript in Forma Pauperis, all "Over to May 7, 1973". Latimer, U. S. Mag. M-4/16/73, M-4/17/73. Copies of endorsements mailed to all counsel.</p>	
4/30	<p>Plaintiffs' Memorandum of Law, filed.</p>	
5/4	<p>Statement in Compliance with Local Rule 10(a) (3) filed by defendant.</p>	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
5/ 4	Memorandum in Opposition To Plaintiffs' Motion for Partial Summary Judgment, Motion for Certification as Class Action, Motion For Preliminary Injunction and Motion for Transcripts in Forma Pauperis, filed by Defendants.	
5/ 4	Motion to Dismiss Counts I and II of the Complaint, Notice of Motion and Memorandum in Support of Motion, filed by Defendant.	
5/ 7	Hearing on (1) Plaintiff's Motion for Summary Judgment (as to I, II, IX and X); (2) Plaintiff's Motion for Preliminary Injunction; (3) Plaintiff's Motion for Class Action Determination. Decision reserved on all three motions. Latimer, U. S. Magistrate M-5/7/73; (4) Plaintiff's Motion for Transcript in Forma Pauperis. "Motion granted." Latimer, U. S. Magistrate. M-5/9/73. Copies mailed to counsel.	
1973		
5/ 7	Defendant's Motion to Dismiss "Continued to 5/21/73". Latimer, U. S. Magistrate. M-5/9/73. Copies mailed to counsel.	
5/11	Stipulations of Fact and Law, filed by Plaintiffs.	
5/11	Substitute Complaint, filed. 5/11 Stipulation to Submission of Documents filed by Plaintiffs.	
5/16	Plaintiffs' Memorandum in Opposition to Motion to Dismiss, filed.	
5/16	Plaintiffs' Reply Brief, filed.	
5/17	Change of Address filed by Attorney Stuart Bear.	
5/18	Reply Memorandum, filed by defendant.	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
5/21	Hearing on Defendant's Motion to Dismiss Counts 1 and 2 of Complaint. Decision Reserved. Latimer, U. S. Magistrate. M-5/22/73.	
5/22	Tape Recording of proceedings held on May 21, 1973, filed by U. S. Magistrate Latimer.	
5/31	Motion for Partial Summary Judgment, filed by plaintiffs.	
5/31	Plaintiffs' Memorandum of Law, filed.	
6/18	Hearing on Plaintiff's Motion for Partial Summary Judgment. Decision Reserved. Submitted on the papers. Latimer, U. S. Magistrate M-6/19/73.	
7/ 6	Deposition of Mildred Ives, Moira Robertson and Joyce Chapman, filed.	
12/ 4	Copy of Agreement containing Consent Order to Cease and Desist, filed. Original with Magistrate Latimer.	
1974		
1/22	Affidavit of Mildred Ives in Support of Motion for Summary Judgment, filed.	
1/25	Pre-Trial Conference before Judge Newman "over until Mag. Latimer rules on pending motions."	
2/ 5	Exhibit A., filed by plaintiffs.	
3/19	Ruling on Pending Motions, entered. Ordered (1) that Plaintiffs' motion for class action certification, pursuant to Rule 23(c)(1), F.R.C.P. is granted in that the action may proceed as a class action under Rule 23(b)(2) F.R.C.P. to the extent authorized Defendant's motion to dismiss Counts I and II for lack of subject matter jurisdiction, pursuant to Rule 12(b)(1), F.R.C.P. is denied;	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
	<p>(3) Defendant's renewed motion to dismiss the remaining counts of the complaint for lack of jurisdiction or failure to state a claim, pursuant to Rule 12(b)(1) and (6), F.R.C.P. is denied as to Counts IX, X and XII, and denied without prejudice on the present record as to Counts III-VIII, XI and XIII; (4) Plaintiffs' motions for partial summary judgment pursuant to Rule 56, F.R.C.P. are granted as to Counts I, II, IX, X and XII, and denied as to Count III; and (5) Plaintiffs' alternative application for preliminary injunctive relief is in all respects denied. Plaintiffs being entitled to partial summary judgment as a matter of law in the absence of genuine issues of material fact, judgment shall enter for plaintiffs and the class they represent: (Declaring defendant liable under 15 U.S.C. §1640 in the limited respects set forth, and in violation of Conn. Gen. Stat. §§36-243 and 37-4 and (2) enjoining defendant from collecting any further payments under outstanding coupon contracts made in Connecticut, and from entering hereafter into any coupon contracts in Connecticut on which the annual percentage rate exceeds twelve percent and without first providing required truth in lending disclosures. Latimer, U. S. Magistrate. So ordered. Newman, J. M-3/19/74 Copies mailed.</p>	
4/25	<p>Partial Summary Judgment, entered. Order that (1) this action is hereby maintained as a class action under Rule 23(b)(2) F.R.C.P. as to the claims for declaratory and injunctive relief; (2) that plaintiffs' motions for partial summary judgment are hereby granted as to Counts I, II, IX, X and XII and denied as to Count III; (3) that plaintiffs' alternative application for preliminary injunction relief is in all respects denied; (4) that defendant's motion to dismiss Counts I and II for</p>	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
	<p>lack of subject matter juris- pursuant to Rule 12 (b)(1) is denied; (5) that defendant's renewed motion to dismiss the remaining counts of the complaint for lack of subject matter jurisdiction or failure to state a claim is denied as to Counts IX, X and XII and denied without prejudice on the present record as to Counts III—VIII, XI and XIII; (6) that defendant is declared liable for violations of 15 U.S.C. §1640 (see Judgment for details); (7) that the defendant is permanently enjoined from entering hereafter into any coupon contracts in Conn. without first providing required truth-in-lending disclosures; (8) that defendant is declared liable for violations of §§36-243 and 37-4 of the Conn. Gen. Statutes; and (9) that the defendant is permanently enjoined from collecting any further payments under outstanding coupon contracts made in Conn., and from entering hereafter into any coupon contracts in Conn. on which the annual percentage rate exceeds twelve per cent. Newman, J. M-4/26/74 Copies mailed.</p>	
4/30	<p>Motion for Award of Attorneys Fees Pursuant to 15 U.S.C. Sec. 1640, filed by plaintiffs.</p>	
5/ 8	<p>Memorandum in Support of Plaintiffs' Attorneys Request for an Interim Award of Reasonable Attorneys' Fee under 15 USC & 1640 and Affidavits of William H. Clendenen, David M. Lesser, Stuart Bear and Frank Cochran, filed by Plaintiffs.</p>	
5/ 8	<p>Notice of Appeal filed by Defendant W. T. Grant Co. Copies mailed to all counsel and to U.S.C.A.</p>	
5/16	<p>Motion for Certification as a Class Action, filed by plaintiffs.</p>	

Docket Sheet

<u>Date</u>	<u>Proceedings</u>	<u>Date Order or Judgment Noted</u>
6/ 3	Motion for Declarative and Injunctive Relief, filed by plaintiffs.	
6/11	Plaintiffs' Motion for Award of Attorneys Fees Pursuant to 15 U.S.C. 1640, endorsed as follows: "Motion <i>continued</i> to 6/17/74." Latimer, U.S. Mag. M-6/11/74. Copies mailed.	
6/11	Plaintiffs' Motion for Certification as a Class Action, endorsed as follows: "Motion <i>continued</i> to 6/17/74." Latimer, U.S. Mag. M-6/11/74. Copies mailed.	

COMPLAINT
IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT
CIVIL NO. 15125

MILDRED IVES, MOIRA ROBERTSON, and JOYCE CHAPMAN on
behalf of themselves and all other similarly situated,
Plaintiffs,

vs.

W. T. GRANT COMPANY,
Defendant.

1. This is an action for declaratory relief pursuant to Title 28 U.S.C. §2201, injunctive relief, and damages, for violation of the rights of the Plaintiffs under the Fourteenth Amendment to the United States Constitution; and for violations of Title 15 U.S.C. §45 (the Federal Trade Commission Act); Title 39 U.S.C. §3005 (the Postal Service Act); Sections 36-225 *et seq.*, 36-393 *et seq.*, (the Connecticut Truth-in-Lending Act); 37-4, 38-249, *et seq.*, 42-84, 42-86, 42-115a, 42-115d, 42a-1-203, and 42a-2-302, of the Connecticut General Statutes.

2. Jurisdiction is conferred on this Court by Title 15 U.S.C. 1640(e) and Regulation Z thereunder, Sec. 226.12(c); and Title 28 U.S.C., 1331, 1332, 1337, 1339 and 1343.

3. Plaintiffs are citizens of the United States and the State of Connecticut, and residents of the City of New Haven.

(a) Plaintiff Mildred Ives is a citizen of the United States and the state of Connecticut, and a

Summons and Complaint

resident of the city of New Haven. On August 30, 1971, she entered into a coupon credit instalment contract with the Defendant at an annual percentage rate of 19.88%. Said contract contained charges for credit life, credit accident and sickness insurance, and credit property insurance. Said contract is hereby incorporated by reference as Exhibit A.

(b) Plaintiff Moira Robertson is a resident of the city of New Haven. On November 26, 1971, she entered into a coupon credit instalment contract with the Defendant at an annual percentage rate of 19.90% per year. Said contract contained charges for credit life insurance, credit accident and sickness insurance, and credit property insurance. Said contract is hereby incorporated by reference as Exhibit B.

(c) Plaintiff Joyce Chapman is a citizen of the United States and the state of Connecticut, and a resident of the town of Seymour. On October 16, 1971, she entered into an add-on coupon credit instalment contract with the Defendant at an annual percentage rate of 19.90%. Said contract contained a charge for credit life insurance, credit accident and sickness insurance, and credit property insurance. Said contract is hereby incorporated by reference as Exhibit C.

4. Defendant W. T. Grant Company is a Delaware corporation, with a principal place of business in New York, authorized to do business in Connecticut.

5. Plaintiffs bring this action pursuant to Rule 23 of the Federal Rules of Civil Procedure, on behalf of themselves and all others similarly situated. Those similarly situated

Summons and Complaint

are all persons who have signed W. T. Grant retail installment contracts for the sale of coupons, on which the actual annual percentage rate of interest is greater than twelve percent, in the state of Connecticut (excluding those parties for or against whom the common questions of usury, fraud, unconscionability, deceptive acts or practices, unlawful loans, unenforceable security interests, mail fraud, violation of the Federal Trade Commission Act and violation of the Connecticut Truth-in-Lending Act have been adjudicated in any other competent court prior to the date of the filing of this complaint).

The persons in the class are so numerous as to make joinder impracticable; there are common questions of law and fact; plaintiffs' claims are typical of the claims of the class; and the representative plaintiffs will fairly and adequately protect the interests of the class. The party opposing the class has acted or refused to act on grounds generally applicable to the class.

COUNT I

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The coupon credit instalment contracts into which the Defendant induced Plaintiffs to enter did not contain the disclosures required by Section 36-395 of the Connecticut General Statutes and the regulations thereunder in the following respects:

Sec. 36-395-3 (a) (5)—The finance charge does not include the sum charged for credit life or accident and sickness insurance as required, because defendant does not disclose clearly and conspicuously that insurance coverage is not required for credit.

Summons and Complaint

- Sec. 36-395-3 (a) (6)—The defendant does not disclose clearly and conspicuously that the customer may choose the person through which proper insurance is to be obtained.
- Sec. 36-395-4 (b)—The document does not accurately disclose the annual percentage rate.
- Sec. 36-395-5 (a)—The required disclosures are not given clearly; conspicuously; or in meaningful sequence.
- Sec. 36-395-5 (b)—The document contains additional materials which are misleading and confusing, and which detract attention from the information required to be disclosed.
- Sec. 36-395-7 (a)—The defendant does not make required disclosures before the transaction is consummated.
- Sec. 36-395-7 (a) (1)—The required disclosures are not made above or adjacent to the place for the customer's signature.
- Sec. 36-395-7 (b) (5)—The contract does not clearly identify or describe the merchandise in which a security interest is claimed, or the type of security interest that is claimed.
- Sec. 36-395-7 (c) (5)—The document does not contain the sum of the amounts determined under Sec. 36-395-7 (c) (3) and (4) as the "unpaid balance".
- Sec. 36-395-7 (c) (8) (i)—The total amount of the finance charge is not accurately disclosed.
- Sec. 36-395-7 (c) (8) (ii)—The document does not contain the sum of the amounts determined under subparagraphs (1), (4) and (8) (i) of Sec. 36-395-7 (c) as the "deferred payment price".

Summons and Complaint

COUNT II

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 6 of Count I as paragraphs 1 through 6 of this Count the same as if fully pleaded herein.

7. The coupon credit instalment contract into which the Defendant induced Plaintiff Mildred Ives to enter also did not contain the disclosures required by Section 36-395 of the Connecticut General Statutes and the regulations thereunder in the following respect:

Sec. 36-395-7 (b) (3)—The document does not accurately disclose the number of the required instalment payments so as to equal the total of payments disclosed.

COUNT III

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 6 of Count II as paragraphs 1 through 6 of this Count the same as if fully pleaded herein.

7. The coupon credit instalment contracts into which the Defendant induced Plaintiffs to enter did not contain the disclosures required by Section 42-84 of the Connecticut General Statutes in the following respects:

Sec. 42-84 (c) (1)—The document does not contain, at the top, the words "Retail Instalment Contract" printed in ten-point bold type.

Sec. 42-84 (c) (2)—The document does not contain a definite statement that the insurance, if any, included in the retail instalment sale provides or does not provide coverage for personal liability and property damage caused to others.

Summons and Complaint

Sec. 42-84 (c) (3)—The document does not contain the required notice directly above the space reserved for the signature of the buyer.

COUNT IV

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. This Count seeks injunctive and declaratory relief restraining the enforcement of, and declaring unconstitutional, §42-91 of the Connecticut General Statutes under the due process and equal protection clauses of the Fourteenth Amendment to the United States Constitution.

7. Pursuant to the authority of §42-91, the Defendant includes in every coupon credit instalment contract a clause stating:

"that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) percent of the amount due and payable, plus court costs."

8. The Plaintiffs and the members of the class receive no benefit from the above described clause.

9. Said clause is part of every printed form coupon credit contract and is not the subject of negotiation and agreement by the Plaintiffs and the class that they represent. The coupon credit instalment contracts are contracts of adhesion and arrived at as the result of wholly unequal bargaining power.

Summons and Complaint

10. But for the authority of §42-91, Defendant could not include said clause in its coupon credit instalment contracts; nor could Defendant enforce said clause in the absence of said statute or of the power of the State of Connecticut.

11. The Plaintiffs and the members of the class have not relinquished or waived their constitutional right to due process and the equal protection of the laws.

12. Said clause unduly and unequally burdens the right of Plaintiffs and the members of the class to gain access to courts of law to defend their interests and for the redress of just grievances, in violation of the Fourteenth Amendment to the United States Constitution.

COUNT V

1. Paragraphs 1 through 5 of the Complaint are hereby incorporated by reference as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The Defendant offers to the public a credit plan commonly known as the coupon credit instalment plan.

7. All of the Plaintiffs and members of the class have signed coupon credit instalment contracts for the purchase of books of coupons which can be spent for merchandise only in W. T. Grant Co. and "member stores".

8. The Defendant's coupon books are credit cards as defined by 15 U.S.C. §1602(k).

9. Said coupon credit instalment contracts between Defendant and Plaintiffs and members of the class are for sums greater than \$50.00.

Summons and Complaint

10. Said coupon credit instalment contracts contain a provision that in the event coupons are lost, damaged or destroyed, the customer is fully responsible therefor.

11. The amount of said loss may exceed \$50.00.

12. The Defendant has not informed Plaintiffs or members of the class of their maximum statutory liability, or provided the cardholder with a self-addressed prestamped notification to be mailed by the cardholder in the event of the loss or theft of the credit card.

13. Defendant has not provided a method whereby the user of such card can be identified as the person authorized to use it.

14. In the event of loss, the Defendant will impose a loss on Plaintiffs and members of the class in excess of \$50.00.

15. Said contract provisions and company practices on the part of the Defendant violate 15 U.S.C. §1643(a).

COUNT VI

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The Defendant has engaged in unfair, deceptive and unconscionable acts and practices in violation of Sections 38-249 *et seq.*, 42-86, 42-115a, 42-115d, 42a-1-203, and 42-2-302 of the Connecticut General Statutes, thereby injuring the Plaintiffs and the class they represent. The following unfair, deceptive and unconscionable acts and practices are a representative sample thereof:

Summons and Complaint

(a) The Defendant, through its agents and through printed materials, represented to Plaintiffs and members of the class that its coupon credit installment plan was no different from a typical charge account plan;

(b) The Defendant, through its agents and through printed materials, represented to Plaintiffs and members of the class that installment payments would not be due pursuant to the terms of the coupon credit installment contract until purchases were made with said coupons and failed to explain that the rate at which coupons were spent;

(c) The Defendant did not reveal to Plaintiffs and members of the class that they were entering into a contractual relationship which obligated them to pay interest on the entire contractual balance before all coupons may have been spent by them in Defendant's stores or to pay interest and principal at a rate different than the rate at which they spent said coupons;

(d) The Defendant, through its agents and through printed materials represented to Plaintiffs and members of the class that all coupon credit installment accounts have lower monthly payments than on charge accounts;

(e) The Defendant, through its agents and through printed materials, represented that the rate of interest on the coupon credit installment contract would be less than that of alternative store credit plans;

(f) The Defendant, through its agents and through printed materials, represented to Plaintiffs and members of the class that its coupon credit installment plan is "America's fastest revolving credit-way

Summons and Complaint

to buy," where the coupon credit instalment plan is not a revolving charge account and even if it were so to be considered is more cumbersome and time-consuming in operation than credit-card revolving charges;

(g) The Defendant, through its agents, represented to Plaintiffs and members of the class that it was necessary to enter into a coupon credit instalment contract before consideration could be given to allowing the customer to obtain a revolving credit card from the Defendant, and represented that if the coupon credit instalment account was paid off as scheduled, a credit would then be issued to the customer;

(h) The Defendant, through its agents and through printed materials, represented to Plaintiffs and members of the class that interest was not charged on their account until purchases were made with said coupons;

(i) The Defendant, through its agents and through printed materials, represented that coupons could be used to purchase any item for sale in any W. T. Grant or "member store," when it was Defendant's practice not to allow coupons to be used for the purchase of major appliances and certain sale items;

(j) The Defendant, through printed materials, represented that coupons could be redeemed in "member stores, but did not disclose that there are less than twenty-five "member stores" in Connecticut, located only in the cities of Danbury and Winsted, thereby making them inaccessible to most Connecticut coupon credit customers;

Summons and Complaint

(k) The Defendant, through its agents, did not meaningfully disclose at the time Plaintiffs and members of their class signed coupon credit installment contracts that accident and health insurance, life insurance and property insurance were included in the price of the contract and were a separate and additional charge in said contract;

(l) The Defendant, through its agents, represented that it was company policy to require the purchase of credit life insurance even if the customer had a life insurance policy currently in effect;

(m) The Defendant sold credit life insurance to Plaintiffs and members of the class without informing them that the Defendant would be the sole beneficiary of said purchase;

(n) The property insurance sold by Defendant was of little or no value to the Plaintiffs and the class they represented;

(o) The Defendant failed to send certificates of insurance, or otherwise inform Plaintiffs and members of the class, of the terms, conditions and extent of coverage thereby rendering said credit life, accident and sickness insurance coverage valueless to the Plaintiffs and members of the class;

(p) The Defendant has imposed conditions on said insurance coverage beyond the written terms of said coverage and failed to reveal said conditions to Plaintiffs and members of the class;

(q) Defendant did not clearly and conspicuously disclose that the Plaintiffs and members of the class were responsible for any lost, stolen or destroyed coupons;

Summons and Complaint

(r) The Defendant, through advertisements and printed materials has misrepresented the nature of and availability of its coupon credit instalment and revolving charge plans.

(s) The Defendant, through advertisements and printed materials, has misrepresented the characteristics and benefits of its coupon credit instalment plan and thereby confused said plan with revolving charge plans to the detriment of plaintiffs and the class they represent.

7. The following clauses of the coupon credit contracts are unfair, deceptive and unconscionable:

That the consumer agrees:

(a) "(A) to assume responsibility for the loss, damage or destruction of the merchandise";

(b) "(B) not to sell, remove from the county or State or encumber the merchandise without the seller's prior written consent";

(c) "that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) percent of the amount due and payable, plus court costs";

(d) "(H) buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract";

(e) "that upon default in any payment hereunder, the entire unpaid total of payments shall at seller's election become due and payable."

Summons and Complaint

8. The Defendant has misrepresented material facts to the Plaintiffs and members of the class in order to induce them to enter into said coupon credit instalment contracts.

9. Said representation or representations or lack thereof were false and deceptive and were known by Defendant to be false and deceptive and were made with the intent and for the purpose of inducing Plaintiffs and the members of the class to enter into said coupon credit instalment contracts.

10. The Defendant had a duty to disclose the truth as to the aforesaid representations and had the opportunity to do so to Plaintiffs and the members of the class.

11. The Plaintiffs and the class they represent relied upon the truth of said representations when entering into said coupon credit instalment contracts.

12. The Defendant had reason to know that Plaintiffs and the members of the class would rely on said representations and would suffer injury in so relying.

13. Said unfair, deceptive and unconscionable acts and practices induced the Plaintiffs and the members of the class to enter into coupon credit contracts, and but for such deceptive acts and practices, Plaintiffs and the members of the class would not have entered into said contracts.

COUNT VII

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 13 of Count VI as paragraphs 1 through 13 of this Count the same as if fully pleaded herein.

Summons and Complaint

14. The Defendant is engaged in interstate commerce and utilizes the services of the United States Post Office in furtherance of its business.

15. The Defendant has engaged in unfair and deceptive acts and practices in violation of Title 15 U.S.C. § 45, thereby injuring the Plaintiffs and the class they represent.

COUNT VIII

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 14 of Count VII as paragraphs 1 through 14 of this Count the same as if fully pleaded herein.

15. The Defendant uses the mails to solicit the Plaintiffs and the members of the class to enter into coupon credit instalment contracts and to spend coupons.

16. The Defendant uses the mails as a means of collecting money from the Plaintiffs and members of the class.

17. The Defendant is engaged in a scheme or device for obtaining money through the mails by means of false representations, in violation of Title 39 U.S.C. § 3005.

COUNT IX

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The coupons which were received by Plaintiffs Mildred Ives and Moira Robertson and the members of the class did not have to be spent on the same day on which

Summons and Complaint

they were purchased. Interest, however, was and is computed and charged not from the time purchases with the coupons were and are made, but from the time the contracts were and are signed. As a result, interest was and is collected by the W. T. Grant Co. before all coupons were or are redeemed by it.

7. None of Plaintiffs used all her coupons the day her coupon credit instalment contract was signed.

8. Said contracts are a device or disguise used by Defendant to evade the usury laws of the state of Connecticut, and in reality the arrangement between Plaintiffs and Defendant is that of a loan or forbearance.

9. The Defendant has demanded and received interest at rates prohibited by section 37-4 of the Connecticut General Statutes.

10. The Defendant is prohibited by section 37-8 of the Connecticut General Statutes, from taking action to recover principal, interest, or any part thereof, from the Plaintiffs and members of the class.

COUNT X

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The coupons which were received by Plaintiff Joyce Chapman and the members of her class did not have to be spent on the same day on which they were purchased. Interest was and is computed at the time the contracts were and are signed. Interest was and is not charged until one of the coupons is actually used by Plaintiff and the members

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of her class. Interest is then charged on the entire amount financed. The amount of interest is not related to the rate at which coupons were or are used by Plaintiff and the members of her class.

7. The Plaintiff did not use all her coupons the day she used the first coupon.

8. Said contracts are a device or disguise used by Defendant to evade the usury laws of the State of Connecticut, and in reality the arrangement between Plaintiffs and Defendant is that of a loan or forbearance.

9. The Defendant has demanded and received interest at rates prohibited by section 37-4 of the Connecticut General Statutes.

10. The Defendant is prohibited by section 37-8 of the Connecticut General Statutes, from taking action to recover principal, interest, or any part thereof, from the Plaintiffs and the members of the class.

COUNT XI

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of Count I as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. Defendant's policy is to sell credit life insurance, credit accident and sickness insurance, and credit property insurance to Plaintiffs and the members of the class whether or not they desire such coverage. In furtherance of said company policy, Defendant, through its agents, has engaged in deceptive acts and practices. The following acts and practices are a representative sample thereof:

Summons and Complaint

(a) The Defendant, through its agents, did not disclose at the time Plaintiffs and members of their class signed coupon contracts that accident and health insurance, life insurance and property insurance were included in the price of the contract and were a separate and additional charge in said contract;

(b) The Defendant, through its agents, represented that company policy required the purchase of credit life insurance even if the customer had a life insurance policy currently in effect;

(c) The Defendant sold credit life insurance to Plaintiffs and members of the class without informing them that the Defendant would be the sole beneficiary of said purchase;

(d) The Defendant failed to send certificates of issuance to Plaintiffs and members of the class as required by sections 42-86 and 38-254 of the Connecticut General Statutes;

(e) The Defendant, through its agents, represented that credit insurance was a benefit which was included in the price of said coupon credit instalment contracts, thereby inferring that it was included at no extra charge.

7. The property insurance sold by Defendant was of little or no value to the Plaintiffs and the class they represent.

8. The Defendant failed to send certificates of insurance in violation of sections 42-86 and 38-254, Connecticut General Statutes, or otherwise inform Plaintiffs and members of the class of the terms and conditions of coverage, thereby

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rendering said credit life and credit accident and health insurance coverage valueless to the Plaintiffs and the members of the class.

9. The Defendant has imposed conditions of said insurance coverage beyond the written terms of said coverage and failed to reveal said conditions to Plaintiffs and members of the class.

10. The Defendant has adjusted claims of customers in violation of section 38-258 of the Connecticut General Statutes.

11. The Defendant has refused to process claims according to the terms of its master policies with group insurers.

12. The Defendant has refused to process claims according to the requirements of sections 38-249 *et seq.*, Connecticut General Statutes.

13. The Defendant's representations and conduct in the sale of credit insurance and handling of insurance claims has caused confusion and misunderstanding for the Plaintiffs and the class they represent.

14. Said acts and practices are deceptive, misleading and unconscionable and violate §§ 38-249 *et seq.*, 42-86, 42a-1-203, 42a-2-302, 42-115a and 42-115d of the Connecticut General Statutes, and Title 15 U.S.C. § 45.

COUNT XII

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

Summons and Complaint

6. The Defendant has lent money to Plaintiffs at an annual rate of interest in excess of 12% and in sums less than \$1,800.00.

7. Defendant regularly and in the normal course of its credit business makes said loans.

8. Defendant has failed to obtain a license from the Connecticut State Banking Department as required by § 36-225, *et seq.*, of the Connecticut General Statutes.

COUNT XIII

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 8 of Count XII as paragraphs 1 through 8 of this Count the same as if fully pleaded herein.

9. Defendant claims a security interest in the goods identified to said coupon credit instalment contracts.

10. Said reservation of a security interest violates section 36-236 of the Connecticut General Statutes.

11. The unlawful deceptive and unconscionable acts, practices, conduct, schemes and devices of the Defendant (Counts I, II, IV through XIII) have irreparably harmed the Plaintiffs and the members of the class, and unless the Defendant is restrained from continuing said unlawful, deceptive and unconscionable acts, practices, conduct, schemes and devices (Counts I, II, IV through XIII) the Plaintiffs and the members of the class will continue to suffer irreparable harm.

Summons and Complaint

WHEREFORE:

Plaintiffs respectfully pray on behalf of themselves and the members of the class that this Court:

1. Assume jurisdiction of this case;
2. Determine by order pursuant to Rule 23, Federal Rules of Civil Procedure, that Counts I, II and IV through XIII, of this action may be maintained as a class action;
3. Enter a final judgment pursuant to Title 28 U.S.C. § 2201 declaring: (a) that the Defendant has violated the Federal and State Truth-in-Lending Acts, 15 U.S.C. 1601 et seq., and Regulation Z thereunder, and § 36-393 et seq., Connecticut General Statutes, and regulations thereunder, and that plaintiffs be awarded the liquidated damages provided in Title 15 U.S.C. 1640 and Section 36-407, Connecticut General Statutes; (b) that the Defendant has engaged in acts and practices which violate Title 15 U.S.C. § 1643; (c) that section 42-91 of the Connecticut General Statutes is invalid because it violates the Fourteenth Amendment to the United States Constitution; (d) that the Defendant has engaged in a fraudulent or deceptive scheme or device for obtaining money by use of the mails in violation of Title 39 U.S.C. § 3005; (e) that Defendant's coupon credit installment contracts are usurious in violation of § 37-4 of the Connecticut General Statutes and therefore void; (f) that said coupon credit installment contracts are deceptive, unfair and unconscionable in violation of §§ 42a-1-2-203, 42a-2-302, 42-115a, and 42-115d of the Connecticut General Statutes and therefore void; (g) that Defendant's practice in the sale of credit insurance are deceptive, unfair and unconscionable in violation of §§ 42a-1-203, 42a-2-302, 42-115a and 42-115d, of the Connecticut General Statutes;

Summons and Complaint

(i) that the Defendant made small loans without a license in violation of §§ 36-225 *et seq.*, of the Connecticut General Statutes; (j) that the present conduct of the Defendant in extracting interest at rates greatly in excess of that allowed by the usury laws constitutes a public nuisance against all of the citizens of Connecticut.

4. Order Defendant to return all monies collected from the Plaintiffs and the members of the class;

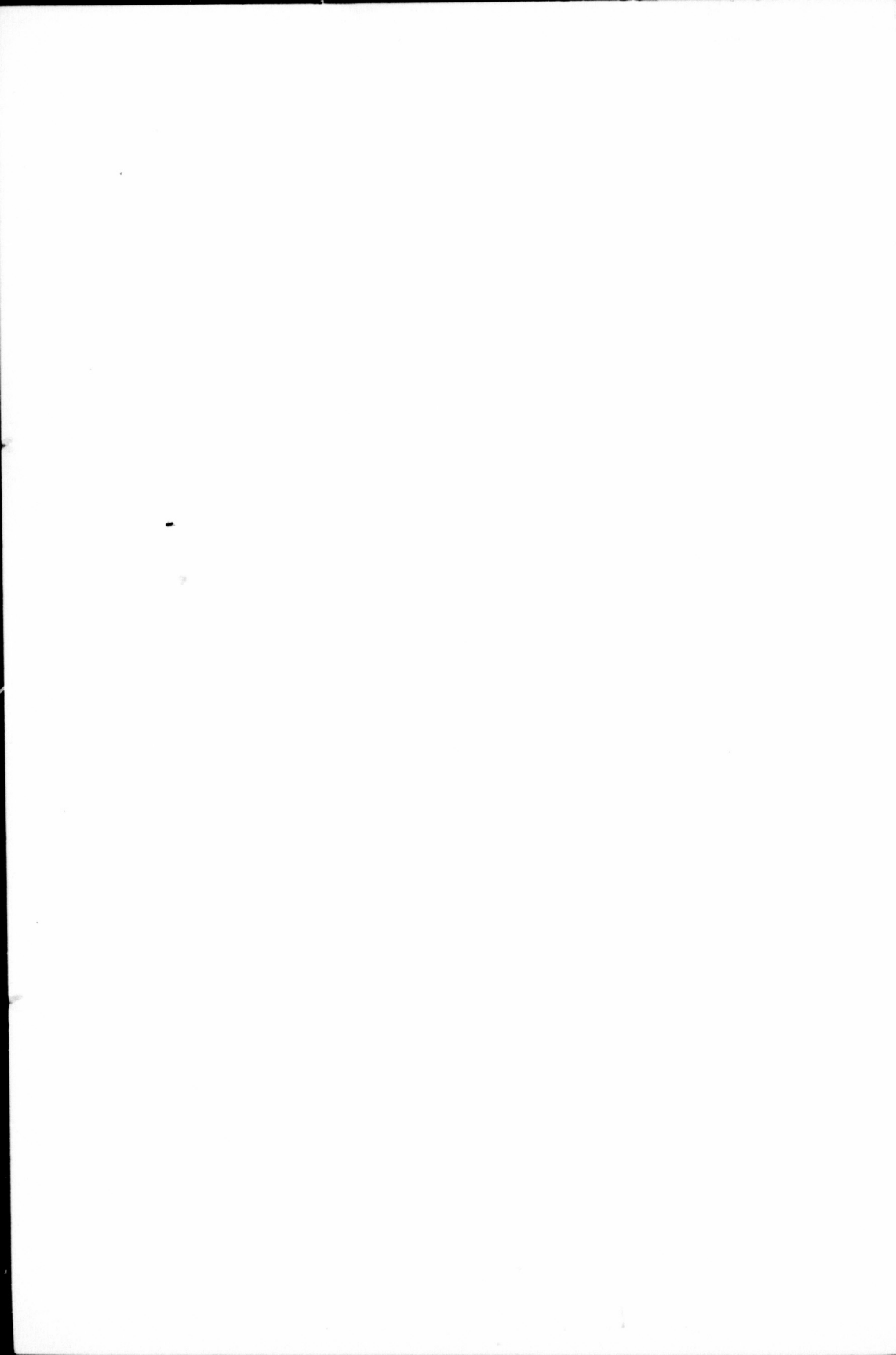
5. Order Defendant to return all insurance premiums charged to Plaintiffs and the members of the class;

6. Enter a permanent injunction, pursuant to Rule 65 of the Federal Rules of Civil Procedure, enjoining Defendant from making any further collections on any coupon credit instalment contracts entered into in the State of Connecticut;

7. Enter a permanent injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure, enjoining Defendant from entering into contracts which involve the use of coupons and from engaging in the acts and practices enumerated as unlawful in this Complaint, Counts I, II, and IV through XIII;

8. Order Defendant to serve a copy of the judgment in this case on the Plaintiff and the members of the class and upon any finance companies or others to which any coupon credit instalment contracts were assigned or pledged;

9. Award \$15,000 damages to each Plaintiff and to each member of the class;



Summons and Complaint

10. Award to the Plaintiffs and the members of the class their costs and reasonable attorneys' fees;

11. Pursuant to Rule 54(d) of the Federal Rules of Civil Procedure, grant Plaintiffs and the members of the class such additional relief as the Court deems just and proper.

THE PLAINTIFFS

By STUART BEAR

Stuart Bear

William H. Clendenen, Jr.

David M. Lesser

265 Church Street, #808

New Haven, Connecticut 06510

(203) 787-5861


Frank Cochran

795 Grand Avenue

New Haven, Connecticut 06510

(203) 777-5428

(Verified by Mildred Ives on June 15, 1972)

(SEE OPPOSITE) 



GRANT'S CREDIT PLAN

15125

W. T. GRANT COMPANY, 1001 BROADWAY
NEW YORK, N. Y. 10013

Seller's Place of Business _____ DATE _____

Buyer(s) _____ FULL NAME OF HUSBAND (IF MARRIED) _____ WIFE'S FIRST NAME _____

Buyer's Residence _____ CITY _____ STATE _____ ZIP CODE _____

Employer _____ Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final installment is due and receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the schedule of digits method. When such rebate is less than \$1, no rebate will be made. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance charge refund on the unused coupons. A like adjustment is made on insurance charges, if any. 5. If a coupon book (unused, partially used) is lost, destroyed or stolen, the company will, on prompt notice of such mishap, replace the lost coupons and adjust the unpaid balance due by deducting therefrom the face value of the coupons missing and all finance charges thereon. Replacement or adjustment will usually be at the buyer's option; however, the seller may in its sole discretion insist upon account adjustment. 6. If the amount owed for the coupons is paid within 30 days of the date the coupons are first redeemed, no finance charge will be imposed. 7. A buyer has a choice of purchasing a coupon book in denominations of \$20 to \$200.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
1	COUPON BOOK	0.50	D-77559

A. Prior balance due before rebate of FINANCE CHARGE	771.00	7. Amount financed (the sum of lines B, 5, 6(a) and 6(b))	771.00
B. Prior balance due after rebate of FINANCE CHARGE	679.12	8. (a) Finance charge \$15.00 (b) Less rebate \$15.00 equals	0.00
1. Cash price (new sales)	0.00	9. Deferred payment price (the sum of lines B, 1, 4, 6(a), 6(b) and 8(a))	679.12
2. Cash down payment	0.00	10. Net addition (the sum of lines 5, 6(a), 6(b) and 8)	29.12
3. Unpaid balance of cash price (1, minus 2)	0.00	11. Total payments (the sum of lines 7 and 8 (a))	900.12
4. Property insurance (if selected, based on 1)	0.00	The Buyer agrees to pay to the Seller the "Total of Payments" shown above (11) in 24 equal installments of \$37.50 and one final installment of \$37.12 starting on 1/1/77 and all subsequent installments on the same day of each consecutive month until paid in full.	
5. Total of 3 plus 4	0.00		
6. Other insurance charges:			
(a) Credit life insurance (if selected)	0.00		
(b) Accident and sickness insurance (if selected)	0.00		

Payments due hereunder are to be made to the W. T. Grant Company at _____ STORE ADDRESS _____

ANNUAL PERCENTAGE RATE 15.75%

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any installment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the installments so in default, or the sum of (5) dollars, whichever is less (5) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) buyer if over 21 and married, represents his authority from spouse to sign this Retail Installment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

CREDIT APPROVAL STAMP

INSURANCE AGREEMENT

The purchase of credit life insurance and accident and sickness insurance alone, property insurance alone, OR all 3 types of coverage, is voluntary and not required for credit. The cost of each type of insurance for the term of the contract is listed below and you may select the coverage you desire by checking the appropriate box and signing and inserting the date where indicated. If no box is checked and this insurance agreement is unsigned, no coverage will be provided. Print the name of the insured only when credit life and accident and sickness insurance is selected. Property insurance may be obtained by you through any person of your choice.

☐ I wish Property Insurance \$ 0.00
☒ I wish Credit Life and Accident & Sickness Insurance \$ 1.00
TOTAL \$ 1.00

The name of the insured is W. T. Grant Company

Date 10/12/71 Signed X

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALLMENT CONTRACT.

W. T. GRANT COMPANY

X _____
 (Buyer)

W. T. GRANT COMPANY (WTC 05278)
 1000 10th St. N.E.

W. T. Grant Company
 (Co-Buyer)

EXHIBIT A

ONLY COPY AVAILABLE



retail instalment sales contract-add-on only

GRANT'S CREDIT PLAN

SELLER: W. T. GRANT COMPANY, 1441 E. 100th
NEW YORK, N. Y. 10012

Seller's Place of Business New York, N.Y. 11-21-58
Buyer(s) James Robertson WIFE'S FIRST NAME
Buyer's Residence 159 Williams St., N.Y.
Employer Mech. plant Wm. H. Tropic Weekly Income 27

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You agree to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final installment and receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with of digits method. When such rebate is less than \$1, no rebate will be made. 4. You may at any time return unused to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance refund on the unused coupons. A like adjustment is made on insurance charges, if any. 5. If a coupon book (partially used) is lost, destroyed or stolen, the company will, on prompt notice of such mishap, replace the lost coupon and adjust the unpaid balance due by deducting therefrom the face value of the coupons missing and all finance thereon. Replacement or adjustment will usually be at the buyer's option; however, the seller may in its sole discretion insist upon account adjustment. 6. If the amount owed for the coupons is paid within 30 days of the date they are first redeemed, no finance charge will be imposed. 7. A buyer has a choice of purchasing a coupon book in denominations of \$20 to \$200.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
1	Coupon book	5.00	11115400
1	Coupon book	.50	209564
1	Coupon book	.25	067053
1	Coupon book	.20	071912
A.	Prior balance due before rebate of FINANCE CHARGE	553.44	79641
B.	Prior balance due after rebate of FINANCE CHARGE	476.23	1005
1.	Cash price (new sales)	295.-	97397
2.	Cash down payment	-	4205
3.	Unpaid balance of cash price (1 minus 2)	295.-	97397
4.	Property insurance (if selected, based on 1)	9.41	
5.	Total of 3 plus 4	304.41	
6.	Other insurance charges: (a) Credit life insurance (if selected) (b) Accident and sickness insurance (if selected)	3.84 1188	
7.	Amount financed (the sum of lines B, 5, 6(a) and 6(b))	177.56	
8.	(a) Finance charge \$177.56 (b) Less rebate \$22.21 equals	155.35	
9.	Deferred payment price (the sum of lines B, 1, 4, 6(a), 6(b) and 8(a))	973.97	
10.	Net addition (the sum of lines 5, 6(a), 6(b) and 8)	420.5	
11.	Total payments (the sum of lines 7 and 9 (a))	973.97	
The Buyer agrees to pay to the Seller the "Total of Payments" shown above (11) in 24 equal installments of \$40.17 and one final installment of \$18.97 starting on 12-26-58 and all subsequent installments on the same day of each consecutive month until paid in full.			

Payments due hereunder are to be made to the W. T. Grant Company at

STORE ADDRESS

ANNUAL PERCENTAGE RATE 17.90%

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or theft of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder have been paid, and the right to possession in case of default; and (D) that whenever the payment of any installment may be in default for at least (10) days the buyer shall pay to the seller, not later than (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the installments in default, or the sum of (5) dollars, whichever is less (1) than if seller refers the matter to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of a payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married, represents authority from spouse to sign this Retail Installment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

CREDIT APPROVAL STAMP

INSURANCE AGREEMENT

The purchase of credit life insurance and accident and sickness insurance alone, property insurance alone, OR all 2 types of coverage, is voluntary and not required for credit. The cost of each type of insurance for the term of the contract is listed below and you may select the coverage you desire by checking the appropriate box and signing and inserting the date where indicated. If no box is checked and this insurance agreement is unsigned, no coverage will be provided. Print the name of the insured only when credit life and accident and sickness insurance is selected. Property insurance may be obtained by you through any person of your choice.

☒ I wish Property Insurance \$ 6.11
☒ I wish Credit Life and Accident & Sickness Insurance \$ 6.27
TOTAL \$ 12.38

The name of the insured is J. J. MillerDate 11/26/71 Signed X William Robertson

BUYER ACKNOWLEDGES RECEIPT OF AN EXCISED COPY OF THIS RETAIL INSTALLMENT CONTRACT.

W. T. GRANT COMPANY

By J. J. MillerX William Robertson
(Co-Buyer)W. T. GRANT COMPANY
101 E. MAIN ST. ST. LOUIS, MO. 63102

ONLY COPY AVAILABLE

UNRECORDED

WANT'S CREDIT PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY
NEW YORK, N. Y. 10018

Seller's Place of Business

Buyer(s)

(PRINT NAME OF HUSBAND IF MARRIED)

WIFE'S FIRST NAME

Buyer's

Residence

(HOUSE AND STREET OR ROAD AND ROUTE)

CITY

STATE

ZIP CODE

Employer

Weekly Income

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final installment is due and receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the schedule of its method. When such rebate is less than \$1, no rebate will be made. 4. You may at any time return unpaid coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance charge refund on the unused coupons. A like adjustment is made on insurance charges, if any. 5. If a coupon book (voucher) previously used is lost, destroyed or stolen, the company will, on prompt notice of such mishap, replace the lost coupons and adjust the unpaid balance due by deducting therefrom the face value of the coupons missing and all finance charges thereon. A replacement or adjustment will usually be at the buyer's option; however, the seller may in its sole discretion adjust upon account adjustment. 6. If the amount owed for the coupons is paid within 30 days of the date the coupons are first redeemed, no finance charge will be imposed. 7. A buyer has a choice of purchasing a coupon book in denominations of \$25 to \$200.

To induce the W. T. Grant Company to make this sale, the buyer (therein called, whether one or more, the "buyer" represents that information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise listed below upon the following terms and conditions:

CITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
1	Roupons Book	200.00	H 392692

1. Cash price of goods	200.00	7. Amount financed (the sum of lines 5, 6[a] and [b])	217.47
2. Cash down payment	—	8. FINANCE CHARGE	55.14
3. Unpaid balance of cash price (1 minus 2)	200.00	9. Deferred payment price (the sum of lines 1, 4, 6[a], [b] and 8)	272.63
4. Property insurance (if selected, based on 3)	6.40	10. Total of payments (7 plus 8) (Time balance)	272.63
5. Total of 3 plus 4	206.40	The Buyer agrees to pay to the Seller the "Total of Payments" shown above (10) in <u>27</u> equal monthly installments of <u>\$10.10</u> and one final installment of <u>\$10.13</u> starting on <u>10/1/58</u> and all subsequent installments on the same day of each consecutive month until paid in full. When a coupon book is purchased the payment obligation will be the same as set forth above except that the first payment date shall be 30 days from the date the coupons are first exchanged for specific merchandise.	
6. Other insurance charges: [a] Credit life (if selected)	2.74		
[b] Accident & sickness (if selected)	8.35		

Payments due hereunder are to be made to the W. T. Grant Company at

STORE ADDRESS

ANNUAL PERCENTAGE RATE 19.90 %

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the Country or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any installment due by the buyer hereunder for at least (10) days the buyer shall pay to the seller, not later than (1) month after such default, an amount calculated at the rate of (5) cents per each dollar of the installments so in default, or the sum of (5) dollars, whichever is less (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due, interest on the amount equal to fifteen (15) percent of the amount due and payable, plus court costs; (F) that upon default in any payment under the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment at any amount then remaining due hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married, represents having minority consent to sign this Retail Installment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

CREDIT APPROVAL STAMP

INSURANCE AGREEMENT

The purchase of credit life insurance and accident and sickness insurance alone, property insurance alone, or all 3 types of coverage, is voluntary and not required for credit. The cost of each type of insurance for the term of the contract is listed below and you may select the coverage you desire by checking the appropriate box and figure, and inserting the date where indicated. If no box is checked and this insurance agreement is signed, no coverage will be provided. Print the name of the insured only when credit life and accident and sickness insurance is selected. Property insurance may be obtained by you through any agent of your choice.

☒ I wish Property. \$ 6.40
☒ I wish Credit life and Accident & Sickness \$ 11.09
TOTAL \$ 17.49

The name of the insured is Robert Campbell
Date 10/1/58 signed X Mrs. R. W. Campbell

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALLMENT CREDIT CONTRACT.

W. T. GRANT COMPANY

X Mrs. R. W. Campbell
(Signature)

W. T. GRANT COMPANY
1000 10th St.
St. Louis, Mo.

R. W. Campbell

(Co-Signer)

EXHIBIT C

ONLY COPY AVAILABLE

United States District Court

FOR THE

DISTRICT OF CONNECTICUT

CIVIL ACTION FILE NO. 15125

MILDRED IVES, MOIRA ROBERTSON, and
JOYCE CHAPMAN on behalf of themselves
and all others similarly situated

Plaintiff

v.

T. GRANT COMPANY

Defendant

SUMMONS IN CIVIL ACTION

to be served
not later than
days

State of Connecticut

FILED

JUN 28 1972

SECRETARY OF COURT

Carol Schmitt

SUMMONS

M. M. Schmitt

NOTED FOR FILING
JUN 28 1972

No.

FOR THE
United States District Court

To the above named Defendant :

You are hereby summoned and required to serve upon Stuart Lear

[over]

of
plaintiff's attorney, whose address is 265 Church Street, #808, New Haven, Conn.
06510

DATE

an answer to the complaint which is herewith served upon you, within 20 days after service of this
summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be
taken against you for the relief demanded in the complaint.

A TRUE COPY,--

ATTEST:

GILBERT C. EARL

GILBERT C. EARL

Clerk of Court

Mary L. Cieszynski

Deputy Clerk

Date: June 20, 1972

by

GILBERT C. EARL

(Seal of Court)

I hereby certify and attest that the foregoing is a true and correct copy of the original.

Note: This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.

BEFORE ME ON JUNE 20, 1972

ONLY COPY AVAILABLE

**MOTION FOR PERMISSION TO PROCEED
IN FORMA PAUPERIS**

IN THE
UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

[SAME TITLE]

The Plaintiffs hereby move for permission to proceed *in forma pauperis* pursuant to Title 28 U.S.C. § 1915.

Affidavits in support of this motion are attached hereto.

THE PLAINTIFFS

STUART BEAR

By

Stuart Bear
William H. Clendenen, Jr.
David M. Lesser
265 Church Street #808
New Haven, Connecticut
06510
(203) 787-5861

Frank Cochran
795 Grand Avenue
New Haven, Connecticut
06510
(203) 777-5428

The foregoing motion having been duly considered by this Court and it appearing that the same should be granted, it is hereby.

ORDERED: that this action proceed *in forma pauperis*.

Dated at New Haven, Connecticut this 20th day of June, 1972.

/s/ JON O. NEWMAN

.....
United States District Judge

Plaintiffs' Motion to Proceed in Forma Pauperis

AFFIDAVIT

STATE OF CONNECTICUT }
 COUNTY OF NEW HAVEN } ss.: AT NEW HAVEN

I, MOIRA ROBERTSON, being first duly sworn, depose and say:

1. I am a plaintiff in the above-entitled action.
2. My only income at the present time for the support of myself and my two children consists of a grant from the State Welfare Department of \$283.00 per month.
3. I have no substantial assets of any type.
4. I am unable because of my poverty to pay the costs in this action.
5. I am unable because of my poverty to give security for the costs of this case.
6. I seek in this action declaratory and injunctive relief and damages against the W. T. Grant for several unconscionable and illegal practices in conjunction with its "coupon credit plan" as appear more specifically in the complaint.
7. This affidavit is being made for purposes of supporting my petition to proceed in forma pauperis under, Title 28 U.S.C. § 1915.

MOIRA ROBERTSON

 Moira Robertson

Sworn to and subscribed before me this sixteenth day of June, 1972.

FRANK B. COCHRAN

 Frank B. Cochran
 Commissioner of the Superior Court

Plaintiffs' Motion to Proceed in Forma Pauperis

FINANCIAL AFFIDAVIT

I, Mildred Ives, hereby depose and say that:

1. I have the following assets:

a) Life insurance policy with face value of \$500.

2. I have no income at the present time. I have not worked since May 18, 1972.

3. I have the following monthly expenses:

Rent	\$ 50.00
Food	40.00
Gas (heat, hot water, cooking fuel)	15.00
Electricity	6.00
Telephone	8.00
Transportation	15.00
Medical	15.00
American Finance payments	43.00
Miscellaneous (clothing, laundry, etc.)	10.00
TOTAL	<u>\$202.00</u>

/s/ MILDRED R. IVES

Subscribed to and sworn before me this 15th day of June, 1972.

/s/ ANN C. HILL

Commissioner of
Superior Court

Plaintiffs' Motion to Proceed in Ferma Pauperis

AFFIDAVIT

STATE OF CONNECTICUT }
 COUNTY OF NEW HAVEN } ss:

I, JOYCE CHAPMAN, being first duly sworn, depose and say:

1. I am a plaintiff in the above-entitled action.
2. My only income at the present time is as follows:
 - a. support payments from my former husband \$55.00/week.
 - b. unemployment compensation benefits (but I believe that my benefits have run out).
3. On these amounts I support myself and my son. I have no major assets of any kind.
4. I am unable because of my poverty to pay the costs in this case.
5. I am unable because of my poverty to give security for the costs in this case.
5. I believe in good faith that I am entitled to the relief sought.
6. I seek in this action to obtain declaratory and injunctive relief and damages for several wrongful and illegal practices of the W. T. Grant Company under its "coupon credit plan".

Plaintiffs' Motion to Proceed in Forma Pauperis

7. This affidavit is being made for the purpose of supporting my petition to proceed *in forma pauperis* under Title 28 U.S.C. § 1915.

JOYCE CHAPMAN

Joyce Chapman

Sworn to and subscribed before me this 13th day of June, 1972.

FRANK B. COCHRAN

Commissioner of
the Superior Court

REQUEST FOR ADMISSION
IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT
[SAME TITLE]

To: W. T. GRANT COMPANY

Pursuant to rule 36(a), F.R.C.P., you are hereby requested to admit the truth of the statements set forth below, for purposes of the pending action only, within thirty days after service of this request (or before the expiration of forty-five days after service of the summons and complaint on you).

1. On August 30, 1971, plaintiff Mildred Ives entered into a coupon credit instalment contract with defendant W. T. Grant Company containing a finance charge of \$154.29 and a disclosed annual percentage rate of 19.88%.

2. The defendant W. T. Grant Company computed the finance charge and annual percentage rate on the amount financed as of the date the contract was signed.

3. The defendant W. T. Grant Company computed the finance charge and annual percentage rate on the amount financed based on the assumption that the deferred payment prices would be repaid in equal instalments (with the exception of the last instalment) over a period of two years.

4. The defendant W. T. Grant Company did not compute the finance charge and annual percentage rate based on the period of time over which plaintiff Mildred Ives actually used her coupons.

5. The defendant W. T. Grant Company would have computed the finance charge and annual percentage rate

Plaintiffs' Request for Admission

disclosed on plaintiff Mildred Ives' contract in exactly the same amounts even if she had not, as of the date of the filing of the complaint in this action, used a single coupon.

6. The finance charge on plaintiff Mildred Ives' contract does not include any charges for credit life, health and sickness, or property insurance.

7. Plaintiff Mildred Ives' contract contains no charges for any Connecticut sales tax.

8. On November 26, 1971, plaintiff Moira Robertson entered into a coupon credit instalment contract with defendant W. T. Grant Company containing a finance charge of \$177.56 and a disclosed annual percentage of 19.90%

9. The defendant W. T. Grant Company computed the finance charge and annual percentage rate on the amount financed as of the date the contract was signed.

10. The defendant W. T. Grant Company computed the finance charge and annual percentage rate on the amount financed based on the assumption that the deferred payment prices would be repaid in equal instalments (with the exception of the last instalment) over a period of two years.

11. The defendant W. T. Grant Company did not compute the finance charge and annual percentage rate based on the period of time over which plaintiff Moira Robertson actually used her coupons.

12. The defendant W. T. Grant Company would have computed the finance charge and annual percentage rate disclosed on plaintiff Moira Robertson's contract in exactly the same amounts even if she had not, as of the date of the filing of the complaint in this action, used a single coupon.

Plaintiffs' Request for Admission

13. The finance charge on plaintiff Moira Robertson's contract does not include any charges for credit life, health and sickness or property insurance.

14. Plaintiff Moira Robertson's contract contains no charges for any Connecticut sales tax.

15. On October 16, 1971, plaintiff Joyce Chapman entered into a coupon credit installment contract with defendant W. T. Grant Company containing a finance charge of \$55.14 and an annual percentage rate of 19.90%.

16. The defendant W. T. Grant Company computed the finance charge and annual percentage rate on the amount financed as of the date plaintiff Joyce Chapman first used a coupon in one of defendant's stores.

17. The defendant W. T. Grant Company computed the finance charge and annual percentage rate on the amount financed based on the assumption that the deferred payment price would be repaid in equal instalments (with the exception of the last instalment) over a period of twenty-eight months from the date plaintiff Joyce Chapman first used a coupon in one of defendant's stores.

18. The defendant W. T. Grant Company did not compute the finance charge and annual percentage rate based on the period of time over which plaintiff Joyce Chapman actually used her coupons (with the exception of the use of the first coupon as in Requests 16 and 17).

19. The defendant W. T. Grant Company would have computed the finance charge and annual percentage rate disclosed on plaintiff Joyce Chapman's contract in exactly the same amounts even if she had not, as of the date of the

Plaintiffs' Request for Admission

filing of the complaint in this action, used a single coupon (with the exception of the coupon referred to in Requests 16 and 17).

20. The finance charge on plaintiff Joyce Chapman's contract does not include any charges for credit life, health and sickness, or property insurance.

21. Plaintiff Joyce Chapman's contract contains no charges for any Connecticut sales tax.

22. The defendant W. T. Grant Company does not know over what period of time plaintiffs have used their coupons.

23. The defendant W. T. Grant Company does not know if plaintiffs have used all their coupons, or if they still had coupons in their possession as of the date of the filing of the complaint in this action.

THE PLAINTIFFS

By **STUART BEAR**

Stuart Bear
William H. Clendenen, Jr.
David M. Lesser
265 Church Street #808
New Haven, Connecticut 06510
(203) 787-5861

Frank Cochran
795 Grand Avenue
New Haven, Connecticut 06510
(203) 777-5428

MOTION FOR PRODUCTION OF DOCUMENTS

**IN THE
UNITED STATES DISTRICT COURT**

DISTRICT OF CONNECTICUT

[SAME TITLE]

To: W. T. GRANT COMPANY

Pursuant to Rule 34, F.R.Civ.P., you are requested to provide the following documents for inspection and copying at the offices of the New Haven Legal Assistance Association, Inc., 265 Church Street, Eighth Floor, New Haven, on or before July 31, 1972:

1. The credit rate tables published by Carleton Financial Computations, Inc., and charts developed by Ernst & Ernst used in Connecticut in the computation of finance charges on coupon credit instalment contracts at any time between January 1, 1970, and the present.

2. The W. T. Grant Company discount tables developed by Financial Publishing Company used in Connecticut in the computation of rebates of finance charges on coupon credit instalment contracts at any time between January 1, 1970, and the present time.

3. The Credit Rate Tables published by Carleton Financial Computations, Inc. and Property Insurance Table calculations provided by Central National Insurance used in Connecticut in calculating insurance premiums on coupon credit instalment contracts at any time between January 1, 1970, and the present.

4. The W. T. Grant Credit Manual, in use in Connecticut with all changes since January 1, 1970.

Plaintiffs' Motion for Production of Documents

5. All bulletins sent to store managers, store credit managers, district managers and district credit managers in Connecticut since January 1, 1970, concerning the coupon plan or credit insurance.

6. The master group policies between W. T. Grant and Central National Insurance Company of Omaha in effect in Connecticut at any time between January 1, 1970 and the present.

7. The master group policies between W. T. Grant Company and Continental Assurance Company in effect in Connecticut at any time between January 1, 1970, and the present.

THE PLAINTIFFS

STUART BEAR

By

Stuart Bear

William H. Clendenen, Jr.

David M. Lesser

265 Church Street #808

New Haven, Connecticut 06510

(203 787-5861

Frank Cochran

795 Grand Avenue

New Haven, Connecticut 06510

(203) 777-5428

(Verified by William H. Clendenen, Jr. on June 27, 1972)

INTERROGATORIES
IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

[SAME TITLE]

To: W. T. GRANT COMPANY
1441 Broadway
New York, New York

The plaintiffs request that the defendant, W. T. Grant Company, answer under oath, in accordance with Rule 33 of the Federal Rules of Civil Procedure, the following interrogatories within thirty days (or within forty-five days of the filing of the complaint in this action):

1. Please state the name, address and position in the corporation of the person answering these interrogatories.
2. Please state the names, last known addresses, dates of employment, and stores employed at of:
 - a. all credit office managers employed by the W. T. Grant Company at its stores in New Haven County at any time between January 1, 1970, and the present time.
 - b. all credit office employees employed by the W. T. Grant Company in New Haven County at any time between January 1, 1970, and the present time.
 - c. all store managers employed by the W. T. Grant Company in New Haven County at any time between January 1, 1970, and the present time.
 - d. each person employed by the W. T. Grant Company in the position of regional manager for the region or regions including the State of Connecticut

Plaintiffs' Interrogatories

or any part thereof, at any time between January 1, 1970, and the present time.

e. each person employed by the W. T. Grant Company in the position of district manager for or including New Haven County at any time between January 1, 1970, and the present time.

f. each person employed by the W. T. Grant Company in the position of supervision of all credit operations of the W. T. Grant Company nationally at any time between January 1, 1970, and the present.

3. Please explain in detail the procedures followed in approving or disapproving an application for coupon book credit at W. T. Grant Company stores in New Haven County.

a. If said procedures vary between stores, please describe in detail the procedures in each store.

b. If the procedures described in interrogatories 3 or 3a above have been changed in any way since January 1, 1970, please describe in detail those changes.

4. Does the W. T. Grant Company at the present time make use of any employee bonus or promotion plans, programs, or incentives in connection with the solicitation or attraction of credit customers in its stores in New Haven County?

a. If the answer to interrogatory 4 was affirmative, describe in detail each and every such plan, promotion, or incentive.

b. If the answer to interrogatory 4 was in the affirmative does such plan, promotion, or incentive

Plaintiffs' Interrogatories

distinguish in any way between the solicitation or attraction of customers for coupon credit as opposed to other available credit plans?

c. If the answer to interrogatory 4b was in the affirmative, detail such distinction(s).

d. If the answer to the interrogatory 4 was in the affirmative, does any such plan, promotion, or incentive involve payments, bonuses, or prizes to sales employees for credit referrals?

e. If the answer to interrogatories 4 or 4d was in the affirmative detail such plan, promotion, or incentive giving the amounts of such payments, bonuses, or prizes and conditions for receiving them.

f. Was any plan, promotion, or incentive referred to in interrogatory 4 above in effect on January 1, 1970? If so, which ones.

g. Please describe in detail all changes to any plan, promotion, or incentive in effect at any time on or after January 1, 1970, not previously detailed above.

5. Please identify all films, tapes, manuals, books, papers or other written materials used by the W. T. Grant Company for or in its stores in New Haven County at any time between January 1, 1970, and the present time in the training of sales or credit personnel concerning the solicitation or operation of coupon credit installment accounts.

6. Please state the names, last known addresses, and positions of all persons who have run training sessions for W. T. Grant Company employees at any time between January 1, 1970, and the present time concerning the solicitation or operation of coupon credit installment accounts.

Plaintiffs' Interrogatories

7. Please identify all films, tapes, manuals, books, charts or other written materials which have been used to disseminate instructions or statements of company credit policies or changes in those credit policies to credit office personnel in W. T. Grant stores in New Haven County at any time between January 1, 1970, and the present time.

8. Please describe in detail the method used to determine the compensation of each credit manager position in New Haven County stores, including bonus plans and all other incentives or payments which enter into the total yearly salary.

9. Please explain in detail the criteria used to determine when a Big Ticket Account, instead of a coupon credit installment account, is opened for a customer in W. T. Grant Company stores in New Haven County.

a. Please detail any changes which have occurred in the criteria since January 1, 1970.

10. Has the W. T. Grant Company obtained a license to do business as a small loan company pursuant to Section 36-225 *et seq.* of the Connecticut General Statutes?

11. Please state the name and address of any and all insurance companies used by defendant to provide credit life insurance, health and accident insurance, and property insurance to credit customers of W. T. Grant stores in New Haven County at any time since January 1, 1970.

12. Is it the practice of all W. T. Grant Company stores in New Haven County to give or to send certificates of insurance to their coupon credit installment customers who purchase credit life, health or property insurance?

Plaintiff's Interrogatories

a. Was it the practice of all W. T. Grant Company stores in New Haven County to do so on June 1, 1971?

b. Was it the practice of all W. T. Grant Company stores in New Haven County to do so on January 1, 1971?

c. Was it the practice of all W. T. Grant Company stores in New Haven County to do so on June 1, 1970?

d. Was it the practice of all W. T. Grant Company stores in New Haven County to do so on January 1, 1970?

e. Please name those stores which did not give or send certificates of insurance to coupon credit installment customers at any time between January 1, 1970, and the present time.

13. Please describe in detail any and all arrangements or agreements between the W. T. Grant Company and the insurers referred to in interrogatory 11 above in effect at any time from January 1, 1970, to the present time involving refunds, experience rebates, or other returns of premium charges to the defendant and to its stores or employees in New Haven county.

a. Please list the amount of money returned to each store or employee in New Haven County as a rebate, refund, or kickback on the sale or credit insurance for fiscal year 1970.

b. Please list the amount of money returned to each store or employee in New Haven County as a rebate, refund, or kickback on the sale or credit insurance for fiscal year 1971.

Plaintiffs' Interrogatories

14. Please describe in detail the practices and procedures used by credit office personnel in each New Haven County store in processing claims made by coupon credit installment customers pursuant to credit life, and accident and sickness insurance coverage.

15. Please describe in detail the practices and procedures used by the credit office personnel in each New Haven County store in processing claims made by coupon credit installment customers pursuant to credit property insurance coverage.

16. Please state the names and addresses of all advertising agencies used by defendant in connection with advertising in New Haven County from January, 1970, to the present time.

17. Please name all advertising media used by the W. T. Grant Company located in or appearing in New Haven County (if known), at any time from January, 1970, to the present time.

18. Please identify all circulars, brochures, pamphlets or other written materials used to promote or used in connection with the sale of coupon books which were available to customers in W. T. Grant stores in New Haven County at any time from January 1, 1970, to the present.

a. Please state the approximate dates each such circular, brochure, pamphlet or other material was available to the public.

19. Please identify all circulars, brochures, pamphlets or other written materials which were mailed to customers in New Haven County at any time from January 1, 1970, to the present time.

Plaintiffs' Interrogatories

a. Please state the approximate date or dates each such circular, brochure, pamphlet or other material was mailed.

20. Please state the total number of coupon book contracts which were entered into in all W. T. Grant Company stores throughout Connecticut from January 1, 1970, through June 15, 1972.

a. Please state the number of coupon book contracts which were sold *in each* W. T. Grant Company store in New Haven County from January 1, 1970, through June 15, 1972.

b. Please state the number of coupon book contracts sold from January 1, 1970, through June 15, 1972, in each of the W. T. Grant Company stores in New Haven County which include property insurance.

c. Please state the number of coupon book contracts sold from January 1, 1970, through June 15, 1972, in each of the W. T. Grant Company stores in New Haven County which include accident and credit life insurance.

d. Please describe in detail how each insurance company is informed of the number of coupon credit installment customers who have purchased credit insurance.

e. Are monthly reports filed with each insurance company?

f. Are other periodic reports filed?

Plaintiff's Interrogatories

g. If the answer to interrogatories (e) or (f) is affirmative, please specify what periodic reports are filed and the contents of each report.

THE PLAINTIFFS

STUART BEAR

By

Stuart Bear
William H. Clendenen, Jr.
David M. Lesser
265 Church Street, #808
New Haven, Connecticut 06510
(203) 787-5861

Frank Cochran
795 Grand Avenue
New Haven, Connecticut 06511
(203) 777-5428

(Verified by Stuart Bear on July 6, 1972)

**ANSWER TO REQUEST FOR ADMISSION
FILED JUNE 20, 1972**

IN THE
UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF CONNECTICUT

[SAME TITLE]

1. With respect to paragraph 1, the defendant admits that on August 30, 1971 Mildred Ives entered into a retail installment sales contract for the purchase of one coupon book with the defendant and said contract contained a finance charge of \$154.29 and disclosed an annual percentage rate of 19.88%.

2. The defendant admits paragraphs 2, 3, 4, 6, 7, 9, 10, 11, 13, 14, 17, 18, 19, 20, 21, 22 and 23.

3. The defendant cannot admit or deny paragraphs 5 and 12 because it is unclear from the request for admission the coupon books to which the plaintiffs refer. Each of the retail installment contracts referred to in these paragraphs were "add-on" contracts and each of the plaintiffs had entered into several other retail installment sales contracts for the purchase of coupon books and the "add-on" contracts referred to in paragraphs 5 and 12 contain a prior balance reflecting the balance then outstanding on the earlier retail installment sales contracts.

4. With respect to paragraph 8, the defendant admits that on November 26, 1971 Moira Robertson entered into a retail installment sales contract for the purchase of four coupon books with the defendant and said contract contained a finance charge of \$177.56 and disclosed an annual percentage rate of 19.90%.

Defendant's Answer to Plaintiff's Request for Admission

5. With respect to paragraph 15, the defendant admits that on October 16, 1971 Joyce Chapman entered into a retail installment sales contract with the defendant for the purchase of one coupon book and that said contract contained a finance charge of \$55.14 and disclosed an annual percentage rate of 19.90%.

6. The defendant denies paragraph 16.

THE DEFENDANT

WILLIAM J. EGAN

By.....

William J. Egan
of Wiggin & Dana
205 Church Street
New Haven, Connecticut 06508

(Verified by William J. Egan on October 13, 1972)

**RESPONSE TO REQUEST FOR PRODUCTION
OF DOCUMENTS SERVED BY THE PLAINTIFFS ON
THE DEFENDANT, W. T. GRANT COMPANY,
ON JUNE 27, 1972**

IN THE
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

[SAME TITLE]

To: Stuart Bear, Esq.
William H. Clendenen, Jr., Esq.
David M. Lesser, Esq.
265 Church Street, #808
New Haven, Connecticut 06510

Frank Cochran, Esq.
795 Grand Avenue
New Haven, Connecticut 06511

The items requested to be inspected, with the exception of items 4 and 5, may be inspected as requested at the offices of Wiggin & Dana, 205 Church Street, New Haven, Connecticut, upon seven days' prior notice. The defendant objects to requests for production Nos. 4 and 5 because the documents requested are of a proprietary nature and are not relevant to the matters in issue.

Dated at New Haven this 13th day of October, 1972.

THE DEFENDANT

WIGGIN & DANA

By.....
Wiggin & Dana
205 Church Street
New Haven, Connecticut 06508
Its Attorneys

(Verified by William J. Egan on October 13, 1972)

MOTION TO DISMISS
IN THE
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT
[SAME TITLE]

The defendant moves the court as follows:

1. To dismiss Counts Three, Four, Five, Seven and Eight of the complaint because each of said counts fails to state a claim against the defendant upon which relief can be granted.

2. To dismiss Counts Three, Six, Nine, Ten, Eleven, Twelve and Thirteen on the ground that the court lacks subject matter jurisdiction because it appears from the face of the complaint:

(a) that the alleged claims do not arise under the Constitution, laws, or treaties of the United States, and the matter in controversy does not exceed the sum or value of \$10,000 exclusive of interest and costs;

(b) that the alleged claims do not arise under any act of Congress regulating commerce or protecting trade and commerce against restraints and monopolies as provided under Title 28, Section 1337 of the United States Code;

(c) that the amount in controversy is less than ten thousand dollars, exclusive of interest and costs, in that if any one or more of plaintiffs have any claim against defendant, such claims constitute separate claims of the particular plaintiffs so damaged, none of which separately equal or exceed ten thousand

Defendant's Motion to Dismiss

dollars, exclusive of interest or costs, and such claims cannot be aggregated for purposes of the amount-in-controversy requirement;

(d) that the alleged claims do not rise under any Act of Congress relating to the postal service as provided under Title 28, Section 1339 of the United States Code;

(e) that the alleged claims do not involve the invasion of any rights or privileges or involve any wrongs as provided in Title 28, Section 1343 of the United States Code;

(f) that the alleged claims do not raise under any Act of Congress, or any regulations issued thereunder, relating to truth in lending or consumer protection as provided under Title 15, Section 1640(e) of the United States Code;

(g) that there is no other basis of subject matter jurisdiction alleged in the complaint.

Dated at New Haven this 12th day of October, 1972.

THE DEFENDANT

WILLIAM J. EGAN

By

William J. Egan
Wiggin & Dana
205 Church Street
New Haven, Connecticut 06508
Its Attorneys

(Verified by William J. Egan on October 12, 1972)

ANSWERS TO INTERROGATORIES
IN THE
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

[SAME TITLE]

1. Please state the name, address and position in the corporation of the person answering these interrogatories.

ANSWER: Anthony E. Lorenzo, Credit Vice President, 1515 Broadway, New York, N. Y. 10036.

2. Please state the names, last known addresses, dates of employment, and stores employed at of:

a. all credit office managers employed by the W. T. Grant Company at its stores in New Haven County at any time between January 1, 1970, and the present time.

b. all credit office employees employed by the W. T. Grant Company in New Haven County at any time between January 1, 1970, and the present time.

c. all store managers employed by the W. T. Grant Company in New Haven County at any time between January 1, 1970, and the present time.

d. each person employed by the W. T. Grant Company in the position of regional manager for the region or regions including the State of Connecticut or any part thereof, at any time between January 1, 1970, and the present time.

e. each person employed by the W. T. Grant Company in the position of district manager for or including New Haven County at any time between January 1, 1970, and the present time.

Defendant's Answer to Interrogatories

f. each person employed by the W. T. Grant Company in the position of supervision of all credit operations of the W. T. Grant Company nationally at any time between January 1, 1970, and the present.

ANSWER: See attached Exhibit A.

3. Please explain in detail the procedures followed in approving or disapproving an application for coupon book credit at W. T. Grant Company stores in New Haven County.

a. If said procedures vary between stores, please describe in detail the procedures in each store.

b. If the procedures described in interrogatories 3 or 3a above have been changed in any way since January 1, 1970, please describe in detail those changes.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

4. Does the W. T. Grant Company at the present time make use of any employee bonus or promotion plans, programs, or incentives in connection with the solicitation or attraction of credit customers in its stores in New Haven County?

a. If the answer to interrogatory 4 was affirmative, describe in detail each and every such plan, promotion, or incentive.

b. If the answer to interrogatory 4 was in the affirmative does such plan, promotion, or incentive distinguish in any way between the solicitation or

Defendant's Answer to Interrogatories

attraction of customers for coupon credit as opposed to other available credit plans?

c. If the answer to interrogatory 4b was in the affirmative, detail such distinction(s).

d. If the answer to the interrogatory 4 was in the affirmative, does any such plan, promotion, or incentive involve payments, bonuses, or prizes to sales employees for credit referrals?

e. If the answer to interrogatories 4 or 4d was in the affirmative detail such plan, promotion, or incentive giving the amounts of such payments, bonuses, or prizes and conditions for receiving them.

f. Was any plan, promotion, or incentive referred to in interrogatory 4 above in effect on January 1, 1970? If so, which ones.

g. Please describe in detail all changes to any plan, promotion, or incentive in effect at any time on or after January 1, 1970, not previously detailed above.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

5. Please identify all films, tapes, manuals, books, papers or other written materials used by the W. T. Grant Company for or in its stores in New Haven County at any time between January 1, 1970, and the present time in the training of sales or credit personnel concerning the solicitation or operation of coupon credit installment accounts.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

Defendant's Answer to Interrogatories

6. Please state the names, last known addresses, and positions of all persons who have run training sessions for W. T. Grant Company employees at any time between January 1, 1970, and the present time concerning the solicitation or operation of coupon credit installment accounts.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

7. Please identify all films, tapes, manuals, books, charts or other written materials which have been used to disseminate instructions or statements of company credit policies or changes in those credit policies to credit office personnel in W. T. Grant stores in New Haven County at any time between January 1, 1970, and the present time.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

8. Please describe in detail the method used to determine the compensation of each credit manager position in New Haven County stores, including bonus plans and all other incentives or payments which enter into the total yearly salary.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

9. Please explain in detail the criteria used to determine when a Big Ticket Account, instead of a coupon credit installment account, is opened for a customer in W. T. Grant Company stores in New Haven County.

a. Please detail any changes which have occurred in the criteria since January 1, 1970.

Defendant's Answer to Interrogatories

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

10. Has the W. T. Grant Company obtained a license to do business as a small loan company pursuant to Section 36-225 *et seq.* of the Connecticut General Statutes?

ANSWER: The defendant is not engaged in business as a small loan company and for that reason has not obtained a license pursuant to Section 36-225 *et seq.* of the Connecticut General Statutes.

11. Please state the name and address of any and all insurance companies used by defendant to provide credit life insurance, health and accident insurance, and property insurance to credit customers of W. T. Grant stores in New Haven County at any time since January 1, 1970.

ANSWER: (1) The Central National Company of Omaha, 105 South 17th Street, Omaha, Nebraska 68102—credit property insurance.

(2) Continental Insurance Company, 310 South Michigan Avenue, Chicago, Illinois 60604—credit life and accident and sickness insurance.

12. Is it the practice of all W. T. Grant Company stores in New Haven County to give or to send certificates of insurance to their coupon credit installment customers who purchase credit life, health or property insurance?

a. Was it the practice of all W. T. Grant Company stores in New Haven County to do so on June 1, 1971?

b. Was it the practice of all W. T. Grant Company stores in New Haven County to do so on January 1, 1971?

Defendant's Answer to Interrogatories

c. Was it the practice of all W. T. Grant Company stores in New Haven County to do so on June 1, 1970?

d. Was it the practice of all W. T. Grant Company stores in New Haven County to do so on January 1, 1970?

e. Please name those stores which did not give or send certificates of insurance to coupon credit installment customers at any time between January 1, 1970, and the present time.

ANSWER: Yes.

a. Yes.

b. Yes.

c. Yes.

d. Yes.

e. Not applicable.

13. Please describe in detail any and all arrangements or agreements between the W. T. Grant Company and the insurers referred to in interrogatory 11 above in effect at any time from January 1, 1970, to the present time involving refunds, experience rebates, or other returns of premium charges to the defendant and to its stores or employees in New Haven County.

a. Please list the amount of money returned to each store or employee in New Haven County as a rebate, refund, or kickback on the sale or credit insurance for fiscal year 1970.

b. Please list the amount of money returned to each store or employee in New Haven County as a

Defendant's Answer to Interrogatories

rebate, refund or kickback on the sale or credit insurance for fiscal year 1971.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

14. Please describe in detail the practices and procedures used by credit office personnel in each New Haven County store in processing claims made by coupon credit installment customers pursuant to credit life, and accident and sickness insurance coverage.

ANSWER: Upon notification of claim or circumstances which might result in a claim, the defendant furnishes the customer the necessary claim forms. The defendant then submits the claims forms to the relevant insurance company. The defendant submits to the insurance companies all claims submitted to it.

15. Please describe in detail the practices and procedures used by the credit office personnel in each New Haven County store in processing claims made by coupon credit installment customers pursuant to credit property insurance coverage.

ANSWER: See answer to interrogatory #14.

16. Please state the names and addresses of all advertising agencies used by defendant in connection with advertising in New Haven County from January, 1970, to the present time.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

17. Please name all advertising media used by the W. T. Grant Company located in or appearing in New Haven

Defendant's Answer to Interrogatories

County (if known), at any time from January, 1970, to the present time.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue.

18. Please identify all circulars, brochures, pamphlets or other written materials used to promote or used in connection with the sale of coupon books which were available to customers in W. T. Grant stores in New Haven County at any time from January 1, 1970, to the present.

a. Please state the approximate dates each such circular, brochure, pamphlet or other material was available to the public.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue and the compilation of such information, if possible, would place an undue burden on the defendant.

19. Please identify all circulars, brochures, pamphlets or other written materials which were mailed to customers in New Haven County at any time from January 1, 1970, to the present time.

a. Please state the approximate date or dates each such circular, brochure, pamphlet or other material was mailed.

ANSWER: Defendant objects to the interrogatory on the ground that the information sought is not related to the matters in issue and the compilation of such information, if possible, would place an undue burden on the defendant.

20. Please state the total number of coupon book contracts which were entered into in all W. T. Grant Company

Defendant's Answer to Interrogatories

stores throughout Connecticut from January 1, 1970, through June 15, 1972.

a. Please state the number of coupon book contracts which were sold *in each* W. T. Grant Company store in New Haven County from January 1, 1970, through June 15, 1972.

b. Please state the number of coupon book contracts sold from January 1, 1970, through June 15, 1972, in each of the W. T. Grant Company stores in New Haven County which include property insurance.

c. Please state the number of coupon book contracts sold from January 1, 1970, through June 15, 1972, in each of the W. T. Grant Company stores in New Haven County which include accident and credit life insurance.

d. Please describe in detail how each insurance company is informed of the number of coupon credit installment customers who have purchased credit insurance.

e. Are monthly reports filed with each insurance company?

f. Are other periodic reports filed?

g. If the answer to interrogatories (e) and (f) is affirmative, please specify what periodic reports are filed and the contents of each report.

ANSWER: No such records are maintained.

a. No such records are maintained.

b. No such records are maintained.

c. No such records are maintained.

Defendant's Answer to Interrogatories

d. They are not informed as to the number of customers.

e. Yes.

f. No.

g. Premium charged to customers including refunds, credit life insurance and property insurance claims, amount of insurance outstanding.

Dated at New York this of October, 1972.

W. T. GRANT COMPANY

ANTHONY E. LORENZO

By.....

Anthony E. Lorenzo
Its Credit-Vice-President

700a (see this side)

EXHIBIT A

SEP 15 1972

September 12, 1972

District #5 - New Haven County

DISTRICT MANAGERS:

J. P. Cucinotta - 145 Woodland Drive - Cheshire, Conn. Retired Jan. 31, 1970
J. K. LaTulippe - 31 St. John Rd. - Ridgefield, Conn. 2/1/70 to 5/3/71
P. A. Carlson - 29 Old Farms Road - Madison, Conn. 5/3/71 to Present

DISTRICT CREDIT MANAGERS:

R. B. Petrie - 7 Robin Lane - Northford, Conn. 7/2/65 to Present

STORE #2 - Waterbury, Conn.

Store Managers

Douglas Aldredge - Store #756 Bridgeport 12/31/68 to 3/9/70
Robert Bleau - Store #726 Springfield, Mass. - 3/9/70
Robert Sweeney - Store #1026 Ridgefield, Conn. - 8/6/71
Douglas Stack - Store #2 Waterbury - 5/30/72

Credit Managers

Tom Lovig - Store #1171 Stamford - 9/30/68 to 1/5/70
Susan Grayeb - 68 Fairview Ave. Oakville, Conn. - 1/5/70
Scott Wallgren - Store #59 Wallingford, Conn. - 1/5/70
John Pastore - Store #650 Milford - 4/2/71
Carol Stebbins - Store #2 Waterbury - 2/14/72 to present

CREDIT OFFICE PERSONNEL

Linda Mallamaci - Glen Brock Garden Apts. 4D, 18 Bridge Street Union City, Conn.
Jeanne Massicotte - 166 Piping Rock Drive - Waterbury - 7/5/69
Gertrude Sabetta - 57 Collins St. Waterbury, Conn. - 1/12/70
Diane St. Jean - 43 New Port Drive Wolcott, Conn. - 1/29/70
Ellen Stokes - 581 Highland Ave. Waterbury, Conn. - 4/27/70
Judy Kozloski - 37 Bristol Ave. Waterbury, Conn. - 4/24/70
Olive Avery - 12 High Street - Waterbury, Conn. - 7/23/70
David Turmel - 206 Edin Ave. - Waterbury, Conn. - 9/29/70
Bruce Campbell - 88 Fairview St. Waterbury, Conn. - 10/20/70
Callista Barnes - 39 Fern Circle - Waterbury, Conn. 3/12/71
Mary Sipperly - 37 Yates Ave. - Waterbury - 5/7/71
Julio Dasilva - 24 Kettleton Ave. - Naugatuck, Conn. 6/11/71
Lucille Carlozzi - 120 East Farm St. - Waterbury, Conn. 6/18/71
Nancy Walling - 26 Steuben St. Waterbury, Conn. 3/16/71
Elizabeth Martine - 300 Orange St. - Waterbury, Conn. 1/11/72
Rita Taker - 548 Bound Line Road - Wolcott, Conn. - 2/21/72
Robert Sampson @ 102 Brown St. - Waterbury, Conn. - 2/25/72
Sandra Najarian - 355 Wilson St. Waterbury, Conn. 3/13/72

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(Store #2 - Cont'd)

Ronald Briggs - 8 Butternut Ridge Road Waterbury, Conn. 5/12/72
 Katherine Mascelli - 43 Central Ave. - Waterbury, Conn. 8/5/72
 Joann Ruby - 561 Baldwin Street - Waterbury, Conn. - 2/8/72

STORE #59 - Wallingford, Conn.STORE MANAGERS:

Roger McCormick - 3 Robin Lane, Milford, Conn. - 3/7/60
 Richard Jaworski - 17 Vernondale Ct. - Southington, Conn. - 5/10/61

Credit Managers

Veronica Norton - 106 Fuller St. Waterbury, Conn. - 5/8/67
 Martin Quigley - 16 Stetson St. Wallingford, Conn. - 12/8/69
 Frances Cothran - 4 Susan Street. Beacon Falls, Conn. - 4/20/70
 Paul Shelton - 627 Millville Ave. Naugatuck, Conn. 4/27/70
 Scott Wallgren - 933 Rubber Ave. Ext. Naugatuck, Conn. 2/5/71
 Milton Medeiros - P. D. Box 85 Oakville, Conn. 12/27/71
 Frances Brundage - Plank Road Prospect, Conn. - 12/5/66 to Presnet

CREDIT OFFICE PERSONNEL:

Janice Bogart - 30 Washington St. Wallingford, Conn. 11/22/71
 Lorraine Derome - 83 New Cheshire Rd. South Meriden, Conn. 9/16/69
 Evelyn Hines - 42 Vine St. Meriden, Conn. 9/8/69
 Christine Davies - 4 Russell Rd. North Haven, Conn. 10/13/70
 Cheryl Morneau - 45 South St. Wallingford, Conn. 11/6/70
 Elizabeth Ross - 143 Clive Street Meriden, Conn. 10/20/69
 Dale Smith - 9 Backes Ct. Wallingford, Conn. - 10/20/69
 Linda Costa - 75 Jepson Lane - S. Meriden, Conn. 10/3/69
 Hazel Hanks - Berncliff Drive - Wallingford, Conn. 2/9/70
 Shirley Cassella - 79 New Place Road - Yalesville, Conn. 5/1/70
 Patricia Stebbins - 9 Doris St. Wallingford, Conn. 5/16/70
 June Renneburg - 14 Terrell Rd. Waterbury, Conn. 6/13/70
 William Farm - 60 Constitution St. Wallingford, Conn. 9/18/69
 Linda Reeves - 23 Forest St. Wallingford, Conn. 9/18/69
 Jeni Gianotti - 367 Williams Rd. Wallingford, Conn. 1/3/72
 Toni Searfoss - Somerset County Sh. Ct. Somerville, New Jersey 9/24/71
 Penny Holuba - 296 North Airline Road Wallingford, Conn. 10/27/71
 Gracelyn Criscuola - 6 Aldon Lane Wallingford, Conn. 10/1/71

STORE #79 - NEW HAVEN, CONN.STORE MANAGERS:

Mr. H. L. Laphra - 2 Sandra Drive - Branford, Conn. 9/26/26
 Tom Shea - 100 York Street - New Haven, Conn. 1/10/47

CREDIT MANAGERS:

Mr. C. Misante - 900 Hancock Ave. Bridgeport, Conn. unknown
 Mr. F. Cirillo - 322 State Street - Bristol Conn. 8/12/66
 Veronica Norton - 32 Cook Ave. Meriden, Conn. 5/11/67
 Jackie Bauer - Elwood Street - Lyme Conn. Unknown

CREDIT OFFICE PERSONNEL:

Teresa Courtwright - 147 Bradley St. New Haven, Conn. 11/23/70
 Delores Delucia - 69 Burr Street - East Haven, Conn. 9/7/71

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(Store #79 & Cont'd)

Paula Champagne - 35 Norwood Rd. New Haven, Conn. 11/8/63
 Wanda Gibbs - 125 Marlboro Rd. Hamden, Conn. 6/12/71
 Barbara Herbert - 100 Kensington St. New Haven, Conn. 11/10/67
 Ruth Highliff - 17 Hope Ave. Hamden, Conn. & 1/4/60
 Liesbet Mueller - 520 Howell Terrace Orange, Conn. 11/4/59

STORE #650 - MILFORD, CONN.STORE MANAGERS:

Roger McCormick - Address unknown - 7/28/70
 Bruce Morgan - 500 Burnt Plains Road - Milford, Conn. 2/26/70 to 7/14/72
 Roy Wilson - 110 Capewell Ave. - Oakville, Conn. 7/14/72 to present

CREDIT MANAGERS:

Suzzet Farvel - Saw Mill Road West Haven, Conn. 7/2/69 to 7/16/70
 Mark Magyar - 222 E. Main St. Meriden, Conn. 8/6/70 to 12/3/70
 William Redding - 43 First Ave. - East Haven, Conn. 2/5/71 to 12/1/71
 John Pastore - 86 Fillmore St. Waterbury, Conn. 2/14/72 to 2/24/72
 William Edman - 62 Richmond Ave. Waterbury, Conn. 11/30/71 to present

CREDIT OFFICE PERSONNEL:

Walter Ford - DISTRICT CREDIT MANAGER - DISTRICT #2 - 4/30/70
 Marie Harkins - Store #1200 Plainville, Conn. - 6/4/70
 Charles Grady - 57 Hodge Ave. Ansonia, Conn. 12/10/69 to 2/28/70
 Robert Jennings - 55 Minute Man Dr. Milford, Conn. 9/8/69 to 9/17/70
 Raymond Misonile 12 Jean Dr. Monroe, Conn. - 10/7/69 to 3/2/70
 Sharon O'Dice - 10 Dalton Road Milford, Conn. - 8/25/69 to 8/25/70
 Carman Frisco - address unknown - 7/11/69 to 8/10/70 (Store #79)
 Neil Santossio - 55 Richards Dr. Monroe, Conn. 4/1/69 to 3/14/70
 Catherine Wright - 10 Sprerry St. Milford, Conn. 2/6/69 to 3/18/71
 Ellen Wood - Store #756 Bridgeport, Conn. 4/30/70
 James Luft - address unknown - 3/6/70 to 5/8/70
 Mary Ouellette - 43 Lorri Drive - Milford, Conn. 9/22/69 to 5/25/70
 Doreen Travidzik - 1100 Naugatuck Ave. Milford, Conn. 4/16/70 to 4/21/72
 Michel Gaiard - 30 Allen Place Milford, Conn. 8/27/69 to 5/2/70
 Joan King - 87C New port Apt. Robert Treat Drive Milford, Conn. 7/10/70 to 1/14/71
 Gary Schupback 55 Sparrow Bush Lane - Milford, Conn. 6/10/70 to 9/5/70
 Bonita Tyson - 1478 New Haven Ave. Woodmont, Conn. 6/10/70 to 7/24/70
 Egalka Howard - Address unknown - 8/11/70 to 1/28/71
 Carol Randi (Shain) 276 Blatchley Ave. New Haven, Conn. 8/26/69 to 8/8/70
 Angla Barnet - 74 Ocean Ave. Milford, Conn. 9/29/70 to 10/22/70
 Thomas Boland - 982 Ocean Ave. West Haven, Conn. 6/2/69 to present
 Lynn Goodin - 41 Art Street Milford, Conn. 10/9/70 to present
 Salato Sheryle - 38 Cowels Street Devon, Conn. 9/5/70 to 9/4/71
 Lynn Richards - 25 Beechwood Ave. Milford, Conn. 11/2/70 to 8/5/71
 Joyce Bradbury - 46 Cowles Street Milford, Conn. 10/29/70 to 4/7/71
 Jean Flagessee 29 Cedar Lane Beacon Falls, Conn. 2/26/72 to 8/25/72
 Andrews Marilee - 16 Midwood Ave. Milford, Conn. 3/5/71 to Present
 Dorothy Danielson - 391 Buckingham Ave. Milford, Conn. 3/12/71 to 7/8/72
 Helen Jackson - 44D Robert Treat Drive Milford, Conn. 10/4/71 to 3/20/72
 Gail Morrisroe - 6 Sherbrook Road Milford, Conn. 2/8/72 to 6/16/72
 Karen Jensen - 114 Cedar Hill Road Milford, Conn. 6/5/72 to 6/13/72
 Ann Mallon 63 Sixth Ave. Milford, Conn. 1/1/72 to 8/30/72
 Peggy Altar - 810 West River Milford, Conn. 11/3/71 to present
 Nancy Barna - 59 Riverdale Road Milford, Conn. 8/19/72 to present
 Mary Brancoto - 28 Kenneth Street West Haven, Conn. 7/23/72 to present

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(47)
(41)
STORE #750 - WATERBURY, CONN.

STORE MANAGERS:

Robert Sicoli - 23 Woolson Street Watertown, Conn. 1964 to present

CREDIT MANAGERS:

Arlene Hanlon - 57-2 Rosewood Ave. - Waterbury, Conn. 11/11/63 to present

CREDIT OFFICE PERSONNEL:

Betty LaPorta - 34 Melbourne Terrace Waterbury, Conn. - 2/10/66 to present

Ann Grosso - 99 Chester Ave. Waterbury, Conn. - 5/10/68 to present

Dona Remiszewski - Todd Hollow Road Terryville, Conn. - 7/23/71 to present

Janice LaPointe - 12 Steuben Street Waterbury, Conn. 7/31/68 to 1/28/71

STORE #930 - CHESHIRE, CONN.

STORE MANAGERS:

Kenneth Braids - George Street Old Saybrook, Conn. - 5/17/69 to 1/24/72

Richard Mailhot - 817 State Street - New Haven, Conn. - 1/24/72 to present

CREDIT MANAGERS:

Frances Brundage - Plank Road Prospect, Conn. - 12/5/66 to 9/8/72

Elizabeth Howard - address unknown - 9/8/72

CREDIT OFFICE PERSONNEL:

Elizabeth Howard - 1420 Rhey Ave. Wallingford, Conn. 6/26/72 to present (Cr. Mgr.)

Margaret Tetemar - 1130 Avon Blvd. Cheshire, Conn. 4/7/70

Marjorie Abranski - 1631 Tuttle Ave. Cheshire, Conn. 6/12/67

STORE #972 - NEW HAVEN, CONN.

STORE MANAGERS:

Robert Croker - 280 N. ~~Brookside~~ Brooksville Rd. Cheshire, Conn. 5/25/68 to 7/20/70

Adrien Biledeau - 292 Mill Road, Hampton, New Hampshire - 7/20/70 (retired 3/30/72)

Raymond Holland - 3 Goodwill Road, North Haven, Conn. - 3/30/72 - present

CREDIT MANAGERS:

Timothy Donaven - 16 Pinecrest Ave. Ansonia, Conn. - 1/9/69 trans to #1241

Allen Pollack - 81 Whittier Road New Haven, Conn. - 9/3/70 trans to #1239

Paul Shelton - 627 Millville Ave. Naugatuck, Conn. - 9/10/70-10/15/70

Marjorie Smith - Boston Post Rd. Westbrook, Conn. - 10/19/70 to 6/15/72

CREDIT OFFICE PERSONNEL:

Mary Bradon - 83 Longmeadow Ave. Hamden, Conn. 12/29/71 to 3/29/72

Elizabeth Butler - 21 Washington Ave. North Haven, Conn. 3/31/72 to present

Judith Ellsworth - 58 Hilltop Place New Haven, Conn. 10/13/67 to 12/24/71

Edna Kennedy - 15 Westerleigh Rd. New Haven, Conn. 6/23/72 to present

Deborah Orticiari - 367 S. Main Street Seymoure, Conn. 6/4/71 to 8/26/72

Judith Tomlinson - 1907 Litchfield Tpke. Woodbridge, Conn. 6/14/72 to 8/24/72

Mary Jane Wilson - Litchfield Tpke. Bethany, Conn. 9/2/69 to present

Christopher Soulias - Clinton, Conn. 6/26/69 to 1/7/71

George Satin - 38 Highview Terrace, Hamden, Conn. 7/3/72 to 8/23/72

STORE #1123 - NORTH HAVEN, CONN.

Store Managers:

Gordan Wrenn - 71 Walnut Lane - Northford, Conn. 8/25/69 to present

CREDIT MANAGERS:

Christine Davies - Highland Drive - North Haven, Conn. 1/1/70 to 4/17/71

Dale Smith - 9 Backes Court - Wallingford, Conn. 4/17/71

Carol Shain - 276 Blatchley Ave. - New Haven, Conn. 7/5/72 to present

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STORE #1239 - ANSONIA, CONN.

STORE MANAGER:

Wallace Mansfield, Orange Center Road Orange, Conn. 9/24/70 to present

CREDIT MANAGERS:

Thomas Lovig - 178 Woodtick Road Waterbury, Conn. 3/12/71 to present

Alan Pollack - 81 Whittier Road New Haven, Conn. 9/12/70 to 3/11/71

CREDIT OFFICE PERSONNEL:

Debra Parsons - 161 Maple Street Seymour, Conn. 1/28/72 to present

Carol T. Ward - 31 Peach Drive - Seymour, Conn. 4/19/72 to present

Mary Morko - 48 Sunset Drive - Shelton, Conn. 4/24/72 to present

Patricia Dorazio - 38 Clover Street Ansonia, Conn. 11/11/71 to present

Mary Busher - 7 Webster Drive - Ansonia, Conn. 11/3/71 to present

Eileen Mullady - 153 Bull Hill Lane - West Haven, Conn. 11/9/71 to present

Patricia Donovan - 62 Benz Street - Ansonia, Conn. 9/17/70 to 5/11/71

Rosemary C. Donovan - 20 Kindle Lane - Derby, Conn. 9/21/70 to 11/2/70

Roberta C. Totilo - 2 Fern Circle - Ansonia, Conn. 9/21/70 to 3/13/72

Theresa F. Sorozan - 34 Ave. DeLa Renaissance - Park Residence - Apt. "2A"
Brussels, Belgium - 11/28/70 to 4/20/72

Barbara Welcome - 437 River Road - Shelton, Conn. 12/1/70 to 1/18/72

Pauline T. Hope - 1223 Forest Road - New Haven, Conn. 9/14/70 to 1/6/71

Jane L. Wilson - 19 Hotchkiss Terrace Drive Ansonia, Conn. 9/21/70 to 11/5/70

Vivienne Carey - 138 No. State Street Ansonia, Conn. 9/21/70 to 10/30/70

Victoria R. Kinney - 32 Hill Street Shelton, Conn. 9/17/70 to 11/20/70

Janet Cavallaro 130 Mt. Pleasant Street Derby, Conn. 10/27/70

Henrietta A. Hylwa - 98 Garden Street - Ansonia, Conn. 11/2/70

Gloria D. Vakovsky - 21 Brownson Drive, Huntington, Conn. 2/10/71 to 8/13/71

Marlene C. Hemenway - 116 Myrtle Ave. - Ansonia, Conn. 2/7/72 to 2/15/72

Nathalie Lavoie - 3 Palmetto Circle - Shelton, Conn. 8/10/71 to 11/5/71

STORE #1241 - HAMDEN, CONN.

STORE MANAGER:

Stephen Anderson address unknown 8/9/71

E. R. Burnham - Polanga Road Northford, Conn. 10/59

CREDIT MANAGERS:

Neil Santossio - 55 Richards Drive Monroe, Conn. 1/69

William Redding - 43 - 1st ave. East Haven, Conn. 9/70

Timothy Donovan - 16 Pinecrest Ave. Ansonia, Conn. 7/3/69

CREDIT OFFICE PERSONNEL:

Ruth Coliendo - 49 Cherry Hill Road - Hamden, Conn. 9/20/70

Mark Magyar - 255 Willow Street - New Haven, Conn. - 12/4/70

Jeanne McManus - 282 Dwight Ave. - New Haven, Conn. 11/16/70

Angelina Proscino - Paradise Ave. Hamden, Conn. - 7/7/69

Elizabeth Ross - 52 Vineyard Road - Hamden, Conn. 10/3/67

Madeline Santella - 285 Edgewood Ave. - New Haven, Conn. 7/27/70

Marie Siniscalchi - 16 Fieldcrest Lane, Hamden, Conn. 9/7/70

Gail Stasiak - 16B Glade Street West Haven, Conn. - 3/16/70

William Kolega - 46 Josephine Ave. - West Haven, Conn. 4/19/71

Bonnie Harris - address unknown

Boulah Johnson - 30 Bassett Street - New Haven, Conn. 6/4/71

Alison Brown - 1166 Dixwell Ave. - Hamden, Conn. 6/14/71

Cheryl Thibodeau - 42 Second Street - Hamden, Conn. 7/3/72

Robert Quirk - Store #1227 Middletown, Conn.

Barbara Choiter - 986 Whalley Ave. Apt. A. New Haven, Conn. 7/16/71

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(Store #1241 Hamden - Cont'd)

Janet Stevenson Polombo - 47 Angel Place North Haven, Conn. 7/8/72
 Doris Wilcox - 12 ShowBird Lane - Northford, Conn. 8/16/71
 Dennis Keating - 1860 Dixwell Ave. - Hamden, Conn. 10/4/71
 Stanley Rutowicz - 46 Harrington Ave. New Haven, Conn. 10/1/71
 Linda McMillen - 1858 Dixwell Ave. - Hamden, Conn. 11/28/70
 David Keeton - 10 South Genesee Street - New Haven, Conn. 9/21/70
 Patricia Cricco - 1215 Old Colony Road - Wallingford, Conn. 9/10/70
 Allen Cakes - 282 Terrace Ave. Apt. B4 - West Haven, Conn. 6/1/70
 Elsie Izakvitis - 69 Blakeslee Ave. - North Haven, Conn. 9/8/70
 Paul Shelton - address unknowns
 Sydney Tate - address unknown - 3/6/70
 Carmel DePino - Store #79 New Haven, Conn.
 Marie Fattore - 41 White Drive - Hamden, Conn. 4/27/70
 Gabriel Dadio - 45 Putnam Ave. Hamden, Conn. 3/25/70
 Albert Ambrisco - 281 Sarah Drive - Orange, Conn. 5/12/70
 John Leary - 122 Linden Street - New Haven, Conn. - 3/6/70
 Edna Kennedy - 15 Westerleigh Road - New Haven, Conn. 10/6/61
 Helen Mailor - 248 Lombard Drive - New Haven, Conn. 3/6/70
 Rose Lettieri - 6 Barbara Ave. - Prospect, Conn. 1/26/70
 Linda Wehner - 45 George Street - Hamden, Conn. 9/27/68
 Florence Sapiro - 707 Circular Ave. - Hamden, Conn. 7/1/69
 Chalmes Klein - 142 Nash Street - New Haven, Conn. 10/17/69
 Kenneth Brunner - 4 Beatrice Drive North Haven, Conn. 12/8/69
 Elizabeth (Hintz) Siena - 454 Village Street - Northford, Conn. 3/2/71
 Ann Malillo - 17 Hobson Ave. Hamden, Conn. 11/22/69
 Regina Tucker - 11 Jean Street - Hamden, Conn. 4/19/71
 Fern Cavallieri - 7 Whitney Village - Hamden, Conn. 8/4/72
 Patricia Mullin - 58 Myra Rd. - Hamden, Conn. 4/4/72
 Diane Thomas - 635 Fitch Street - Hamden, Conn. 6/15/72
 Doreen Tvardzik - 1100 Naugatuck Ave. ~~xxx~~ Milford, Conn. 4/22/72
 Denis Davis - 99 Girard Ave. New Haven, Conn. 8/15/72
 Kerry Niewiadomski - 609 Mix Ave. Apt. 12 - Hamden, Conn. 1/24/72
 Sandy Kelley - 678 Elm Street New Haven, Conn. 2/28/72
 Joanne Mitchell - 829 Pine Rock Ave. Hamden, Conn. 4/4/72
 Harvey DeRoas - 25 Oxford Road - West Haven, Conn.
 Carmen Prisco - Store #79 - 1/17/72
 Richard Erikson - address unknown - 12/3/71

STORE #1255 - MERIDEN, CONN.STORE MANAGER:

Eichel, Robert - Reed's Gap Road - Northford, Conn. 7/70 to present

CREDIT MANAGERS:

Veronia Norton - 32 Cook Ave. Meriden, Conn. 5/8/67 to Store #79 New Haven
 Peter Capelette - 53 Beatty Street. New Britain, Conn. 7/24/71 to present

(Store #1255 Meriden Cont'd)

CREDIT OFFICE PERSONNEL:

Elizabeth DeFavero - 61 Applewood Drive - Meriden, Conn. 3/11/66 to present
Stephanie France - 9 Galoppie Road Meriden, Conn. 9/18/70 to present
Carle Iwanski - 203 Lewis Ave. - Meriden, Conn. 12/23/70 to present
Barbara Lyons - 78 Wilcox Ave. Meriden, Conn. - 11/23/65 to present
Sallie Bailey - 52 Cherry Street - Meriden, Conn. 6/8/71 to 12-29-71
Patricia Skelly - 61 Ridgefield St. - Meriden, Conn. 11-18/71 to 1/19/72
Evelyn Santiago - 258 S. Colony St. - Meriden, Conn. 9/18/70 to 11/11/71
Susan Oblon - 109 Hillcrest Ave. - Meriden, Conn. 3/8/71 to 4/22/71
Hubert Faulkner - 293 Ward St. - Wallingford, Conn. 6/11/71 to 8/12/71
Alan Christian - 30 Hillwood Lane - Meriden, Conn. - 9/4/70 to 11/12/70
Elizabeth Trussell - 1950 N. Broad Street - Meriden, Conn. 2/4/71 to 2/10/71
Lorraine Chandler - 85 Windsor Ave. Meriden, Conn. - 1/9/71 to 2/4/71
Helena Rogers - 16 Atkins Street - Meriden, Conn. - 11/23/70 to 1/23/71
Robin Evans - 81 Fairfax Ave. - Meriden, Conn. 12/1/70 to 1/6/71
Bonnie Ruggerio - 57 North Street - Meriden, Conn. 10/16/70 to 12/10/70
Joyce Balanda - 98 Hawthorn Ave. Waterbury, Conn. 9/14/70 to 11/24/70
Dottie Fields - 146 Britannia St. Meriden, Conn. 9/30/70 to 11/2/70
Marjorie Harter - 8 Prescott Street - Meriden, Conn. 10/19/70 to 12/4/70
Minerva Cedeno - 53 South Second Street - Meriden, Conn. 11/17/69 to 11/2/71
Toni Vonschondorf - Moved to New Jersey - no address - 10/1/70

STORE #1206 BRANFORD, CONN.

STORE MANAGERS:

Charles Kenney - 67 Bradley Corner Road - North Madison, Conn. - 1/59 to 5/20/72
John Slot - Woodvale Road - Branford, Conn. - 5/26/72 to present

CREDIT MANAGERS:

Robert Blackader - 29 Beaverhead - No. Guilford, Conn. - 4/24/71 to 4/21/72
Robert Faulkner - 293 Ward St. - Wallingford, Conn. 12/27/71 to present

CREDIT OFFICE PERSONNEL:

Suzanne Upton - 90 Sunset Hill Drive - Branford, Conn. 4/22/71 to 3/31/72
Pat Delieto - 58 W Lake Manor - Northford, Conn. 2/7/72 to present
Barbara Hanks - N. Berncliff Rd. - Northford, Conn. 5/5/72 to present
Frank Quinto - 95 Sumac - West Haven, Conn. 4/19/72 to present
Cheryl Morneau - 6 Creamery Road - Durham, Conn. 12/15/71 to 1/10/72
Rhonda Gordon - 133 Floreene Road - Branford, Conn. 11/4/71 to 3/30/72
Nancy Klockars - 25 Windmill Hill Road - Branford, Conn. 4/3/72 to 8/11/72
Barbara Smith - 119 Peddlers Road - Guilford, Conn. 3/15/71 to 2/25/72
Jacqueline Gagnon - 13 Warwick Lane - East Haven, Conn. 1/12/71 to 3/9/72
Karen Langevin - 53 Briarwood Lane - Branford, Conn. 4/23/71 to 12/23/71
Carol Shain - 276 Blatchlery Ave. - New Haven, Conn.
Patricia Marrone - 37 Ark Road - Branford, Conn. 6/71
Barbara Brune - 16 Medley Road - Branford, Conn. 3/17/72 to 4/21/72
Dobbie Cameron - North Street - Guilford, Conn. 3/29/71 to 11/8/71

NEW ENGLAND REGIONAL VICE PRESIDENT

Mr. John P. Dane - 875 Providence Highway, Dedham, Mass. 02026 - 1/1/72 to present

NATIONAL SUPERVISOR OF CREDIT OPERATIONS

Anthony E. Lorenzo, Credit Vice Pres. - 1515 Broadway, New York, New York 10036 - 1/1/70 to present

**MOTION FOR CERTIFICATION OF
PLAINTIFFS' CLASS**
IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

[SAME TITLE]

Plaintiffs move the Court pursuant to Rule 23(c)(1) for an order determining that this action may properly proceed as a class action pursuant to Rule 23(a), 23(b), (2) and (3). The class consists of all persons who have signed W. T. Grant retail installment contracts for the sale of coupons, on which the actual annual percentage rate of interest is greater than 12% in the State of Connecticut (except those parties for or against whom the common questions of usury, fraud, unconscionability, deceptive, unfair and unconscionable acts or practices, unlawful loans, unenforceable security interests, mail fraud, violation of the Federal Trade Commission Act and violation of the Connecticut Truth-in-Lending Act have been adjudicated in any other competent court prior to the date of the filing of this complaint).

Dated November 6, 1972

THE PLAINTIFFS

WILLIAM H. CLENDENEN, JR.

By

Stuart Bear

William H. Clendenen, Jr.

David M. L...

265 Church Street #808

New Haven, Connecticut 06510

203-787-5861

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203-777-5428

Their Attorneys

RULING ON PENDING MOTIONS
UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

Civil Action No. 14,296

ROSALIE GIVENS, ET AL,

Plaintiffs,

vs.

W. T. GRANT COMPANY,

Defendant.

Civil Action No. 15,125

MILDRED IVES, ET AL,

Plaintiffs,

vs.

W. T. GRANT COMPANY,

Defendant.

These civil actions for damages and declaratory and injunctive relief present major challenges to a retail shopping credit plan offered by defendant W. T. Grant Company which essentially involves the customer's entry into a written obligation to pay in installments for a book of scrip or coupons which in turn may be exchanged for merchandise sold by defendant.

I. PRIOR PROCEEDINGS

Givens raises purely state law claims, e.g., that the "coupon contract" at issue contains usurious and unconscionable provisions as a matter of Connecticut law, and the suit was actually commenced in state court. Defendant removed the case to this Court without challenge on grounds of diversity.

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Cf. 28 U.S.C. §§1332 and 1441. In the course of an interlocutory appeal concerning the class action status of the suit, however, the Court of Appeals examined the question of subject matter jurisdiction *sua sponte* and: (1) ruled that each plaintiff's individual claim for \$15,000 punitive damages—which alone appeared a tenable allegation of a jurisdictionally adequate amount in controversy—was insufficient, since such damages are generally confined in Connecticut to compensation for the expenses of suit less taxable costs, and plaintiffs' actual legal expenses would be minimal in view of their representation by counsel employed by a non-profit legal services organization, and (2) dismissed the complaint outright, apparently taking plaintiffs up on a disclaimer of any desire to seek the usual procedure of remand to state court, cf. 28 U.S.C. §1447(c), and also facilitating accomplishment of plaintiffs' stated objective of Supreme Court consideration of the jurisdictional issue, as an order of remand is unreviewable, cf. 28 U.S.C. §1447(d). See *Givens v. W. T. Grant Co.*, 457 F.2d 612, 614 (2 Cir. 1972); *Givens v. W. T. Grant Co.*, — F.2d —, slip. op. 863, 864, 864-865 (2 Cir. Dec. 8, 1972) (*per curiam*). But whether independently or in response to a change in plaintiffs' stance, the Supreme Court granted certiorari only to remand to the Court of Appeals "for reconsideration of its order of dismissal in light of 28 U.S.C. § 1447(c)", —U.S.—, 41 U.S.L.W. 3272 (Nov. 13, 1972), and the latter Court has now modified its earlier opinion by substituting the following directive for its prior order of dismissal:

"Accordingly, since our determination that the federal court lacks subject matter jurisdiction has become final, we . . . remand the action to the Court

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of Common Pleas of the State of Connecticut, New Haven County. . . ."

Givens v. W. T. Grant Co., slip. op. *supra* at 865.

Ives was commenced in this Court shortly after the Court of Appeals initially ordered dismissal of *Givens*, with plaintiffs represented by the same attorneys; the complaint in *Ives* states state law claims virtually identical with those alleged in *Givens* with several further claims purportedly arising under federal law.

II. MOTIONS PENDING

Pending now after full briefing and argument are:

1. Plaintiffs' motion in *Givens* to stay remand to provide them the opportunity (a) to amend the complaint to allege certain federal claims, and (b) to show that the intended continued representation of plaintiffs by two of their legal aid attorneys who have just entered into private practice will result in actual litigation expenses sufficient to support assertion of federal diversity jurisdiction over the state law claims, cf. *Givens v. W. T. Grant Co.*, *supra*, 457 F.2d at 614;

- 2 Defendant's motion in *Ives* for dismissal of eleven of the complaint's thirteen counts, pursuant to Rule 12(b)(1) and (6), Fed. R. Civ. P., for lack of jurisdiction over the state law issues and for failure of several of the counts to state a claim; and

3. Plaintiffs' motion in *Ives* for an order pursuant to Rule 23(c)(1), Fed. R. Civ. P. permitting maintenance of the suit as a class action.

Joint consideration of these applications is at least convenient because of the similarity of issues raised or sought

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to be raised in both cases—e.g., whether plaintiffs have now properly invoked diversity jurisdiction as to their state law claims, and whether plaintiffs in any event have stated or probably state recognized federal claims which should lead to assertion of pendent jurisdiction over the state law claims. This Court's power to resolve the questions presented is fundamentally different in the two cases, however, compelling a different approach in each case to the common questions raised.

III. GIVENS—PLAINTIFFS' MOTION FOR STAY

In *Givens*, if this Court had ordered remand to state court, it might be appropriate to entertain reargument concerning the "legal certainty", *Arnold v. Troccoli*, 344 F.2d 842, 843 (2 Cir. 1965), that plaintiffs could not each recover the jurisdictional amount as Connecticut common law "punitive" damages for litigation expenses awarded in instances of tortious conduct amounting to wilful violation of or reckless disregard for plaintiffs' rights, see, e.g., *Collens v. New Canaan Water Co.*, 155 Conn. 477, 234 A.2d 825 (1967), although the recent change in circumstances of plaintiffs' legal representation might necessitate remand of the suit—as non-removable when brought—for defendant's evaluation of present removability, cf. 28 U.S.C. § 1446(b), and might also impel inquiry into plaintiffs' transfer of their case to counsel's newly private practice as a potentially collusive jurisdictional device, cf. *O'Brien v. Arco Corp.*, 425 F.2d 1030 (2 Cir. 1969). And if diversity jurisdiction were shown as to the state law claims, there would be no bar in principle to permitting amendment of the complaint to allege additional and wholly federal claims. See, e.g., *Freeman v. Bee Machine Co.*, 319 U.S. 448 (1943).

But this Court simply has no power to alter or arrest the course of remand charted by the Court of Appeals. That

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Court has issued a direct order of remand to state court, as is obvious from the explicit directive quoted above and from the plain terms of the mandate received by the District Court on December 29, 1972, which orders "that the action be and it hereby is remanded to the Court of Common Pleas of the State of Connecticut, New Haven County . . . in accordance with the opinion of December 8, 1972 of this court." The District Court's function—if any—in these circumstances is ministerial, limited to issuance of such *pro forma* orders and transfer to state court of such records as are necessary to implement remand; remand is mandatory following a determination of lack of federal jurisdiction, cf. 28 U.S.C. § 1447(c), that substantive determination was made by the Court of Appeals, and there is no authority for the proposition that the District Court may reopen the record as to jurisdiction in the fact of an appellate decision pronounced "final" by the higher court, cf. *Givens v. W. T. Grant Co.*, slip. op. *supra* at 865.

Givens must therefore be pursued in the state courts, if at all, unless defendant hereafter effects a second removal grounded in plaintiffs' present theory of punitive damages or in some other change in circumstances or the scope and nature of the claims pleaded hereafter, cf. 28 U.S.C. § 1446(b).

IV. IVES—DEFENDANT'S MOTION TO DISMISS

A. *Jurisdiction Over State Law Claims*

Correctly anticipating that this Court would not interfere with the appellate direction that *Givens* be remanded to state court, defendant has urged that the considerations of judicial economy underlying an exercise of pendent jurisdiction over state law questions are lacking in *Ives*, since identical issues of state law will at least at defendant's option necessarily be resolved in *Givens* by the state

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courts if plaintiffs continue to maintain the latter suit. Compare, cf., *Astor-Honor, Inc. v. Grosset & Dunlap, Inc.*, 441 F.2d 627, 629-630 (2 Cir. 1971).

The appropriate limits of pendent jurisdiction are indeed the dispositive factor in considering defendant's motion to dismiss in *Ives* at this preliminary pleading state of the litigation, but the Court does not agree that exercise of pendent jurisdiction over *Ives*' state law issues should be declined simply because substantially identical claims may be pursued by other plaintiffs against defendant in state court. Plaintiffs' counsel has in the course of oral argument intimated some doubt as to plaintiffs' continued prosecution of *Givens* in the state forum; that question aside, there is nothing unusual about the pursuit of parallel actions in the two court systems, this Court of course ordinarily lacks power to influence the timing and progress of the state court proceedings, cf., e.g., *Heyman v. Kline*, 456 F.2d 123, 131 (2 Cir.), cert. denied —U.S.—, 41 U.S.L.W. 3175 (1972), and the proper main focus of inquiry for present purposes is upon the relationship between the state and federal claims asserted in *Ives*.

Defendant's motion to dismiss in *Ives* does not question the jurisdictional basis for and sufficiency of plaintiffs' claim that defendant's coupon contract fails to make certain disclosures required by state regulations issued pursuant to Connecticut's Truth In Lending Act, Conn. Gen. Stat. § 36-393, et seq. Curiously enough, such allegations state a federal claim. Connecticut's statute and regulatory scheme are closely patterned after the federal Truth In Lending Act, 15 U.S.C. § 1601, et seq., a development at the state level clearly contemplated and encouraged by the federal Act, cf. 15 U.S.C. § 1633. Following enactment of the equivalent state legislation, and prior to the transactions alleged in plaintiffs' complaint, Connecticut was

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granted a partial exemption from application of requirements under the federal Act to state-regulated transactions, as authorized by 15 U.S.C. § 1633; to ensure survival of substantive provisions to which the district courts' continuing concurrent jurisdiction under 15 U.S.C. § 1640(e) can be applied in such circumstances, however, the federal private damages remedy remains in force and the equivalent state disclosure requirements constitute the federal disclosure requirements at issue in an action brought in this Court. Cf. CFR § 226.12(c) (1972).

In short, plaintiffs have presented an unchallenged federal claim, and that claim alone empowers the Court under fundamental principles of pendent jurisdiction to hear the state law claims as well if the "state and federal claims . . . derive from a common nucleus of operative fact", i.e., if there is such a relationship between the claims that plaintiffs "would ordinarily be expected to try them all in one judicial proceeding". *United Mine Workers v. Gibbs*, 383 U.S. 715, 725 (1966). *Ives* meets that threshold test, for plaintiffs' many-faceted attack upon defendant's coupon credit plan is essentially based on a single underlying claim of overreaching, a claimed pattern of fraudulent, deceptive and unconscionable practices allegedly followed by defendant from its initial inducement to the shopper to enter into the plan to its ultimate collection efforts. The coupon contract's provisions, and defendant's alleged misrepresentations and concealment as to the significance of those provisions, are the core issues of the case; even if good faith is not ultimately put in question as a defense to the truth-in-lending claim, but cf. 15 U.S.C. § 1640(c), it would be overly conceptual not to recognize that the complaint depicts basically one wrongful course of conduct. To preclude at the outset possible full resolution in one forum of the several issues raised by various terms contained in a

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single set of documents and by a further relatively simple common claim of misrepresentation would be wholly artificial. Cf. *Zahn v. International Paper Co.*, 469 F.2d 1033, 1036-1037 (2 Cir. 1972) (Timbers, J., dissenting).

Existence of the bare power to entertain further proceedings on the merits of plaintiffs' state law claims does not mandate its exercise, however, since the doctrine of pendent jurisdiction uniquely involves a continuing judicial discretion to decline hearing of ancillary issues of state law if the policy considerations for avoiding piecemeal litigation ever appear out-weighted by strong grounds in comity for relinquishing substantial and uncertain state law questions for determination by the state courts. See *United Mine Workers v. Gibbs*, *supra* at 726-727. The appropriate scope of an ultimate trial should therefore properly remain an open question, but that scope cannot now be narrowly defined, for the Court is of the opinion that it would be at best an abuse of discretion to conclude from a mere reading of the complaint that plaintiffs' federal truth-in-lending claim is "only an appendage" to the several claims alleged under state law. *Id.*, at 727. As the latter claims face no immediate threat of dismissal as the subjects of a discretionary jurisdiction, there is accordingly no need to decide from the present sketchy record whether plaintiffs' state law contentions rest upon the independent jurisdictional basis purportedly furnished by 28 U.S.C. § 1332 for the reasons suggested in the above discussion of plaintiffs' motion to stay remand in *Givens*.

B. Sufficiency Of The Complaint

Defendant has also urged in *Ives* that the remaining four federal claims, and one of the state claims, fail to state a claim upon which relief can be granted. Cf. Rule 12(b)(6), Fed. R. Civ. P. Applying the established test of a com-

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plaint's sufficiency, however, it cannot be said with the requisite certainty that plaintiffs would be entitled to no measure of judicial relief under any state of facts which could be proved in support of those claims. See *Conley v. Gibson*, 355 U.S. 41, 45-46 (1957); cf. *Build of Buffalo, Inc. v. Sedita*, 441 F.2d 284, 287-288 (2 Cir. 1971).

In the complaint's fourth count, plaintiffs marshal due process and equal protection arguments in seeking injunctive and declaratory relief with respect to Conn. Gen. Stat. § 42-91, which in relevant part specifies that a provision for "attorney's fees not exceeding fifteen per cent of the amount due" in connection with referral of a debt for collection may be included in a "retail instalment contract" as defined by the Connecticut statutes regulating retail installment sales financing, cf. Conn. Gen. Stat. § 42-83, *et seq.* The fifteen percent attorney's fees is a standard provision in defendant's coupon contract; plaintiffs contend that § 42-91 is the sole authority for that collection fee clause, while defendant maintains that the pertinent regulatory statutes do not apply to its coupon contract at all, and that in any event § 42-91 does not create a special right to attorney's fees but actually restricts exercise in certain financing agreements of that general and otherwise existing right. The applicability of the statutory scheme in question, concerned with credit financing of the purchase of "goods", cf. Conn. Gen. Stat. § 42-83(3)(b) and (e), is also the preliminary issue raised by the motion to dismiss as to plaintiffs' separately pleaded state law claim that defendant's contract fails to make certain "retail instalment contract" disclosures explicitly compelled by Conn. Gen. Stat. § 42-84. Defendant's argument is forceful, for the coupon books themselves can hardly be termed "goods", cf. *W. T. Grant Co. v. Walsh*, 100 N. J. Super. 60, 241 A.2d 46, 48 (D. Ct. Middlesex Cty. 1968), but whether defendant's imaginative

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concept of identifying the credit aspects of its sales with the purchase of scrip that is in turn used to obtain defendant's goods lies beyond the reach of the existing statutes is an issue which should not be resolved by attempted analysis of the obscurely worded contracts annexed to plaintiffs' complaint unaided by any satisfactory showing of intended meaning or of the underlying factual context. As to the purported constitutional claim, if plaintiffs prevail on the above state law issue, the attorney's fee clause may be unenforceable under Connecticut law as a consequence of defendant's alleged failure to make retail installment sales contract disclosures, cf. Conn. Gen. Stat. § 42-99; if defendant prevails, and the collection fee provision is considered rooted in wholly private contract rights, the clause may also be defeated on non-constitutional grounds as "unconscionable", Conn. Gen. Stat. § 42a-2-302, cf. *Fairfield Lease Corp. v. Pratt*, 6 Conn. Cir. 537, 278 A.2d 154 (Cir. Ct. 1971) (Jacobs, J.). Since plaintiffs' constitutional claim is not patently frivolous, cf., e.g., *Boddie v. Connecticut*, 401 U.S. 371 (1971), the merits of the request for injunctive relief may both deserve and require scrutiny by a three-judge court convened pursuant to 28 U.S.C. §§ 2281 and 2284; in view of the possible disposition of the fee clause question on state law grounds, however, further consideration of the constitutional issue should properly be deferred pending determination by a single judge of the non-constitutional issues. See, e.g., *Connecticut Union of Welfare Employees v. White*, 55 F.R.D. 481, 485-487 (D. Conn. 1972); cf. *Hagans v. Wyman*, 462 F.2d 928 (2 Cir. 1972).

Plaintiffs have alleged a further truth-in-lending claim, that defendant's coupon books are "credit cards" within the meaning of 15 U.S.C. § 1602(k) ("any . . . coupon book . . . existing for the purpose of obtaining money, property . . .

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or services on credit”), and seek injunctive and declaratory relief from defendant’s alleged wrongful imposition of liability, upon “cardholders” for others’ unauthorized use of lost or stolen coupon books when defendant has not satisfied the conditions established by 15 U.S.C. § 1643 for imposing such liability. Defendant urges that the allegations are inadequate to demonstrate an “actual controversy”, cf. 28 U.S.C. § 2201, and it is of course generally true that the Court may not render merely advisory opinions, cf. Art. III, § 2, U. S. Const.; for present purposes, however, the complaint’s sweeping assertion that defendant will impose liability in the event of loss is sufficient to permit an attempted showing that the question is not abstract but a “live grievance”, cf. *Golden v. Zwickler*, 394 U.S. 103, 110 (1969).

Finally, defendant has understandably challenged plaintiffs’ reliance upon certain federal regulatory statutes as a grant to the public of substantive, federally protected rights giving rise to “implied” private litigation remedies. Plaintiffs purport to allege judicially remediable claims that defendant has engaged in “unfair or deceptive acts or practices in commerce” prohibited by 15 U.S.C. §45, and conducts a “scheme . . . for obtaining money . . . through the mail by means of false representations” as proscribed by 39 U.S.C. §3005 (cf. also 18 U.S.C. §1341); these statutes expressly provide only for corrective action by government agencies, and defendant contends that no private right of action was either legislatively intended or can be judicially inferred. Defendant’s position has been consistently and specifically upheld at least as to 15 U.S.C. §45, §5 of the Federal Trade Commission Act, ever since the Supreme Court’s initial statement that “relief in such cases under the Trade Commission Act must be afforded in the first instance by the commission”. *Moore v. New York Cotton*

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Exchange, 270 U.S. 593, 603 (1926); see, e.g., *Frederick Chusid & Co. v. Marshall Leeman & Co.*, 326 F. Supp. 1043, 1063 (S.D.N.Y. 1971). Ironically enough in the present posture of this case, *Moore* may also be regarded as a significant early step in the development of expanded concepts of pendent jurisdiction; with similar claims of fraud and deception raised elsewhere in the complaint as state law issues which the Court has not as yet refused to hear, immediate analysis of the sufficiency of these claims under federal law might perhaps be deferred, compare, cf., *Drachman v. Harvey*, 453 F.2d 722, 737-738 (2 Cir. 1972) (*en banc*). But it cannot be ignored that plaintiffs' prospects under 15 U.S.C. §45 turn from the start wholly upon the success of their plea for re-examination of *Moore* in the light of well-known recent decisions which have found "implied" private rights of action, see, e.g., *Allen v. State Board of Elections*, 393 U.S. 544 (1969), *J. I. Case Co. v. Borak*, 377 U.S. 426 (1964), cf. *Bivens v. Six Unknown Federal Narcotics Agents*, 403 U.S. 388 (1971), and that this threshold question can be adequately explored and resolved in preliminary motion proceedings, see, e.g., *Holloway v. Bristol-Myers Corp.*, 327 F. Supp. 17, 19-22 (D.D.C. 1971). The question was perceived in *Holloway* as an issue of subject matter jurisdiction, however, see *id.* at 22, while defendant in the instant action correctly views the issue as one of sufficiency, cf. *Bell v. Hood*, 327 U.S. 678 (1946); plaintiffs have offered, and should be permitted, to make an initial factual showing that the F.T.C. faces a policing task of such magnitude that the federal courts must authorize private relief "to effectuate the congressional policy underpinning the substantive provisions of the statute", *Bivens v. Six Unknown Federal Narcotics Agents*, *supra*, at 402 (Harlan, J., concurring), for the minimum purpose of providing this Court with an adequate basis for deter-

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mining whether this action involves circumstances akin to those in the extraordinary cases in which private rights of action have been recognized when not expressly authorized by the relevant statutes. Plaintiffs' purported mail fraud claim stands on firmer footing at this stage, for the prohibited conduct alleged may constitute a crime under 18 U.S.C. §1341 as well as grounds for administrative action by postal authorities under 39 U.S.C. §3005, and plaintiffs may establish applicability of

"the doctrine which, in the absence of contrary implications, construes a criminal statute, enacted for the protection of a specified class, as creating a civil right in members of the class, although the only express sanctions are criminal".

Reitmeister v. Reitmeister, 162 F.2d 691, 694 (2 Cir. 1947) (L. Hand, J.). Again, however, recognition of private suit remedies should ultimately be influenced by inquiry into the scope and effectiveness of potential administrative remedies under 39 U.S.C. § 3005(a)(1)-(2). Cf. *Fitzgerald v. Pan American World Airways*, 229 F.2d 499, 502 (2 Cir. 1956).

V. IVES—CLASS ACTION DETERMINATION

Plaintiffs in *Ives* have also moved for an order pursuant to Rule 23(c)(1), Fed. R. Civ. P., permitting the case to proceed as a class action. This Court was initially of the opinion that most of plaintiffs' similar state law claims in *Givens* deserved class action treatment, but concluded that the plaintiffs should and were unable to bear the financial burden of the manner of notice to absent members of the class which seemed compelled as a matter of due process, cf. *Eisen v. Carlisle & Jacquelín*, 391 F.2d 555, 564, 568 (2 Cir. 1968), and restricted further prosecution of the suit to the named plaintiffs' individual claims. *Givens v. W. T. Grant Co.*, Civil No. 14,296 (D. Conn. 1971). Although that

Ruling on Pending Motions

ruling has been neither specifically disavowed nor reviewed on the merits, see *Givens v. W. T. Grant Co.*, *supra*, 457 F.2d at 613, it has limited application to the Rule 23 issues presented by the more numerous and far-reaching claims alleged in *Ives*.

While the question of notice may be no serious obstacle to the *Ives* plaintiffs' claims for declaratory and injunctive relief on behalf of a proposed class under Rule 23(b)(2) if the Court of Appeals' statement in *Eisen v. Carlisle & Jacquelin*, *supra* at 564, that "notice is required as a matter of due process in all representative actions" is simply an expression of the more flexible fundamental principle that notice must obviously be given "in all class actions when due process so requires", *Lynch v. Household Finance Corp.*, —F. Supp.—, n. 3 at —(D. Conn. 1973), the same is not inevitably true for plaintiffs' claims for class damages. The latter claims are necessarily pursued under Rule 23(b)(3) and would require "the best notice practicable" of their pendency, cf. Rule 23(c)(2), Fed. R. Civ. P. The burden may prove insignificant, but the impact of Rule 23(c)(2) should be assessed only upon a more concrete factual showing of the circumstances which are pertinent to furnishing any appropriate notice. Cf. *Eisen v. Carlisle & Jacquelin*, 50 F.R.D. 471 (S.D.N.Y. 1970). If the burden then appears substantial, the Court may consider the advisability of conducting a preliminary inquiry into the merits to determine the propriety of allocating costs. Cf. *Eisen v. Carlisle & Jacquelin*, 52 F.R.D. 253 (S.D.N.Y. 1971).

A prior and more basic issue is whether the claims for an award of damages to each member of the proposed class should be permitted, an issue which counsel have not fully considered. Plaintiffs' entitlement to assert such claims depends in part upon a finding that such a procedure "is superior to other available methods for the fair and efficient adjudication of the controversy", Rule 23(b)(3), Fed. R.

Ruling on Pending Motions

Civ. P., a debatable proposition at least with respect to the truth-in-lending claims which are the only claims certain to be decided on the merits by this Court, see, e.g., *Ratner v. Chemical Bank New York Trust Co.*, 54 F.R.D. 412 (S.D.N.Y. 1972).

In brief, plaintiffs' Rule 23 motion requires further argument in the context of the distinct factual and legal issues raised by this complaint. While any extended delay of proceedings on the merits cannot be sanctioned, an improvident class action determination would irremediably affect the parties' fundamental rights. Cf. *Eisen v. Carlisle & Jacquelin*, *supra*, 391 F.2d at 570.

VI. CONCLUSION

For the reasons set forth above, the pending motions are ruled on as follows:

1. Plaintiffs' motion to stay remand in *Givens* is denied, and the Clerk is hereby directed to effect remand of said action forthwith to the Court of Common Pleas for New Haven County at New Haven, Connecticut;
2. Defendant's motion to dismiss in *Ives* is denied on the present record, without prejudice; and
3. Plaintiffs' motion in *Ives* for an order permitting maintenance of the suit as a class action is continued pending further proceedings consistent with the foregoing opinion.

Dated at New Haven, Connecticut, this 16th day of February 1973.

ARTHUR H. LATIMER

United States Magistrate

SO ORDERED

ROBERT C. ZAMPANO

United States District Judge

MOTION FOR PRELIMINARY INJUNCTION

IN THE
UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

MILDRED IVES, MOIRA ROBERTSON, and JOYCE CHAPMAN on
behalf of themselves and all other similarly situated,
Plaintiffs,

vs.

W. T. GRANT COMPANY,

Defendant.

The Plaintiff class moves for a preliminary injunction prohibiting the Defendant, W. T. GRANT COMPANY, from collecting or accepting any payments on coupon credit retail installment sales contract signed on or after February 1, 1965.

DATED: March 2, 1973

THE PLAINTIFFS

By /s/ WILLIAM H. CLENDENEN, JR.

William H. Clendenen, Jr.

David M. Lesser

Clendenen & Lesser

152 Temple St. #310

New Haven, Connecticut 06510

203/787-1183

Stuart Bear

265 Church Street

New Haven, Connecticut 06510

203/777-7601

(Verified by William H. Clendenen, Jr. on March 2, 1973)

SUPPLEMENTAL ANSWERS TO INTERROGATORIES

**IN THE
UNITED STATES DISTRICT COURT**

DISTRICT OF CONNECTICUT

[SAME TITLE]

Supplemental answers of defendant to interrogatories served on it by plaintiff on July 6, 1972, and originally objected to by defendant on October 13, 1972.

3. Please explain in detail the procedures followed in approving or disapproving an application for coupon book credit at W. T. Grant Company stores in New Haven County.

a. If said procedures vary between stores, please describe in detail the procedures in each store.

b. If the procedure described in interrogatories 3 or 3a above have been changed in any way since January 1, 1970, please describe in detail those changes.

ANSWER: A customer completes a credit application, the application is then processed and if the customer qualifies for a coupon account, it is offered to her.

a. The procedure is the same for all stores in New Haven County.

b. W. T. Grant has used a numerical system to evaluate credit applications for several years. This system requires periodic review and revision. This system used was last revised November, 1970. The details of the scoring system are proprietary in nature and constitute a trade secret.

Defendant's Supplemental Answers to Interrogatories

4. Does the W. T. Grant Company at the present time make use of any employee bonus or promotion plans, programs, or incentives in connection with the solicitation or attraction of credit customers in its stores in New Haven County?

a. If the answer to interrogatory 4 was affirmative, describe in detail each and every such plan, promotion, or incentive.

b. If the answer to interrogatory 4 was in the affirmative, does such plan, promotion, or incentive distinguish in any way between the solicitation or attraction of customers for coupon credit as opposed to other available credit plans?

c. If the answer to interrogatory 4b was in the affirmative, detail such distinction(s).

d. If the answer to the interrogatory 4 was in the affirmative, does any such plan, promotion, or incentive involve payments, bonuses, or prizes to sales employees for credit referrals?

e. If the answer to interrogatories 4 or 4d was in the affirmative detail such plan, promotion, or incentive giving the amounts of such payments, bonuses, or prizes and conditions for receiving them.

f. Was any plan, promotion or incentive referred to in interrogatory 4 above in effect on January 1, 1970? If so, which ones.

g. Please describe in detail all changes to any plan, promotion, or incentive in effect at any time on or after January 1, 1970, not previously detailed above.

ANSWER: Yes.

Defendant's Supplemental Answers to Interrogatories

a. The plans are all very similar in that an employee may receive cash or merchandise awards for referring a new credit account sale.

b. No.

c. Not applicable.

d. Yes.

e. Prize payments, etc., are geared to an approximate value of \$1 per new account sale.

f. Not.

g. Not applicable.

5. Please identify all films, tapes, manuals, books, papers or other written materials used by the W. T. Grant Company for or in its stores in New Haven County at any time between January 1, 1970, and the present time in the training of sales or credit personnel concerning the solicitation or operation of coupon credit installment accounts.

ANSWER: Film entitled, "Give 'em the Facts," Grants Credit Manual, and Credit trainee instruction papers.

6. Please state the names, last known addresses, and positions of all persons who have run training sessions for W. T. Grant Company employees at any time between January 1, 1970, and the present time concerning the solicitation or operation of coupon credit installment accounts.

ANSWER: See attached Exhibit B.

7. Please identify all films, tapes, manuals, books, charts or other written materials which have been used to disseminate instructions or statements of company credit policies or changed in those credit policies to credit office personnel in W. T. Grant stores in New Haven County at any time between January 1, 1970, and the present time.

Defendant's Supplemental Answers to interrogatories

ANSWER: Appropriate sections of the Credit Manual and memoranda from the New York Office and the Regional and District offices covering New Haven County.

8. Please describe in detail the method used to determine the compensation of each credit manager position in New Haven County stores, including bonus plans and all other incentives or payments which enter into the total yearly salary.

ANSWER: All regular unit managers are paid a weekly salary based on the unit's prior year's sale and a bonus on the units prior years profit is paid. New stores are handled on an estimated sales basis.

9. Please explain in detail the criteria used to determine when a Big Ticket Account, instead of a coupon installment account, is opened for a customer in W. T. Grant Company stores in New Haven County.

a. Please detail any changes which have occurred in the criteria since January 1, 1970.

ANSWER: The big ticket account is normally used by a customer who is making a specific appliance, furniture or other major purchase on the day he signs the contract. On the other hand, the Coupon account is normally selected by a customer who desires a number of smaller items of which he or she may not wish to select on the day the contract is signed. In view of the fact that on the big ticket account the Grant Company retains a security interest not the goods, it is easier for a customer to obtain a big ticket account.

a. No change has been made in this criteria since January 1, 1970.

16. Please state the names and addresses of all advertising agencies used by defendant in connection with

Defendant's Supplemental Answers to Interrogatories

advertising in New Haven County from January, 1970, to the present time.

ANSWER: None.

17. Please name all advertising media used by the W. T. Grant Company located in or appearing in New Haven County (if known), at any time from January, 1970 to the present time.

ANSWER: Not known.

18. Please identify all circulars, brochures, pamphlets or other written materials used to promote or used in connection with the sale of coupon books which were available to customers in W. T. Grant stores in New Haven County at any time from January 1, 1970, to the present.

ANSWER: The defendants will provide the plaintiffs with copies of the written materials referred to.

19. Please identify all circulars, brochures, pamphlets or other written materials which were mailed to customers in New Haven County at any time from January 1, 1970, to the present time.

ANSWER: The defendant will provide the plaintiffs with copies of the written materials referred to which relate to credit.

Dated at New York this day of , 1973.


W. T. GRANT COMPANY

ANTHONY E. LORENZO

By

Anthony E. Lorenzo
Its Credit-Vice-President

94a

(SEE OPPOSITE) 

Elect

DIET

J. P.

J. K.

P. A.

DIET

N. B.

Food

man

SEAN

SEAN

SEAN

SEAN

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EXHIBIT B

September 22, 1972

District #5 - New Haven County

FOR REFERENCE

Coednotta - 1/5 Woodland Drive - Glastonbury, Conn. Retired Jan. 31, 1973

Yafellboro - 31 St. John Rd. - Fiddesfield, Conn. 2/1/70 to 5/3/72

Carlson - 29 Old Farm Road - Madison, Conn. 5/3/72 to Present

WIE GRÖßE VERÄNDERUNG:

Petrie - 7 Robin Lane - Northford, Conn. 7/2/65 to Present

To conducting sales meeting in stores since 1970 would be all stores
 part in each store and E. D. Petric, District Credit Mgr.

Dr. J. H. Johnson, Secy.

San Bernardino - Store 1756 Bridgeway 12/31/68 to 3/9/70

at Miami - State #706 Springfield, Mass. - 3/9/70

at Economy - Store #1026 Bridgefield, Conn. - 8/6/71

Lee Storch - Store #2 Waterbury - 5/30/72

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

Levy - Shura #1721 Stanford - 9/30/68 to 1/5/70

Graybe - 63 Redview Ave. Greenville, Conn. - 2/5/70

to Wallgren - State #59 Wallingford, Conn. - 1/5/70

Restoro - Secro 1650 1810ers - 1/2/72

1. Stobierski - Store #2 Waterbury - 2/11/72 to present

7-00000-000000.

1. Williamson - 1200 Brook Garden Apts. AD, 18 Bridge Street Union City, Conn. 10/20/69

no Manitowish - 166 Pining Rock Drive - Watertown - 7/5/69

Circle Saboten - 57 Collins St. Waterbury, Conn. - 1/12/70

St. John - 49 New York Drive Wolcott, Conn. - 1/29/70

1 Stokes - 501 Highland Ave. University, Conn. - 4/27/70

Neelam - 37 Baitol Ave. Waterbury, Conn. - 1/31/70

Every - 12 High Street - Canterbury, Kent. - 7/29/70

Journal - 206 Main Ave. - Waterville, Conn. - 9/29/70

6. Cymbell - 34 Harvard St., Watertown, Conn. - 10/20/70

John Barnes - 39 Elm Circle - Waterbury, Conn. 3/12/71

Formerly - 37 Yates Ave. - Waterbury - 5/7/72

Dasilva - 21 Holliston Ave. - Norwalk, Conn. 6/11/77

Mr. Carlomag - 120 West Burn St. - Hattiesburg, Miss. 6/18/70

✓ Holiday - 26 Southern Cal. Motorsports, Camo, 2/10/77

Robert Martino - 300 Canyon Rd. - Albuquerque, N.M. 1/12/73

Tolson - 610 Round Lake Road - Holcomb, Conn. - 2/22/72

4. Gammage & 302 Buena St. - Hattiesburg, Miss. - 2/25/72

Mr. Tolson - 355 Wilson St. Waterville, Conn. 2/2/62

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(Store #2 - Conn'd)

Ronald Briggs - 6 Rutterman Ridge Road Waterbury, Conn. 5/12/72
 Katherine Pascall - 49 Central Ave. - Waterbury, Conn. 3/5/72
 Joann Raby - 561 Baldwin Street - Waterbury, Conn. - 2/8/72

STORE #2 - Wallingford, Conn.STORE #2 - Wallingford, Conn.

Roger Holsenbeck - 3 Robin Lane, Milford, Conn. - 2/7/60
 Richard Jansz - 17 Vermont St. - Southington, Conn. - 5/10/62

STORE #2 - Wallingford, Conn.

Vernon Horton - 106 Fuller St. Waterbury, Conn. - 5/8/57
 Martin Gavigley - 16 Station St. Wallingford, Conn. - 12/3/60
 Frances Gethman - 4 Susan Street. Soucon Falls, Conn. - 1/20/70
 Carl Shelton - 627 Wallville Ave. Haverhill, Conn. 1/27/70
 Scott Wallgren - 933 Rubber Ave. East Haverhill, Conn. 2/5/72
 Hilton Melvin - P. O. Box 55 Guilford, Conn. 12/27/72
 Frances Rausling - Blank Road Prospect, Conn. - 12/5/66 to Present

STORE #2 - Wallingford, Conn.

Janice Wright - 30 Washington St. Wallingford, Conn. 11/22/71
 Lorenzo Barone - 83 New Hampshire St. South Meriden, Conn. 9/16/69
 Evelyn Hines - 42 Vine St. Meriden, Conn. 9/3/69
 Christine Davies - 4 Russell Rd. North Haven, Conn. 10/13/70
 Cheryl Holsenbeck - 15 North St. Wallingford, Conn. 11/6/70
 Elizabeth Ross - 143 Olive Street Meriden, Conn. 10/15/69
 Dale Smith - 9 Backus St. Wallingford, Conn. - 10/20/69
 Linda Costa - 75 Jensen Lane - S. Meriden, Conn. 10/3/69
 Carol Marks - Bernhardt Drive - Wallingford, Conn. 2/5/70
 Shirley Casella - 79 New Place Road - Guilford, Conn. 5/1/70
 Patricia Stebbins - 9 Davis St. Wallingford, Conn. 5/16/70
 Jane Hunsburg - 14 Carroll Rd. Waterbury, Conn. 6/12/70
 William Horn - 60 Constitution St. Wallingford, Conn. 9/10/69
 Linda Paves - 73 Forest St. Wallingford, Conn. 9/10/69
 Carl Giannetti - 367 Williams Rd. Wallingford, Conn. 1/8/72
 Tom Scarsless - Seneca County Sh. Co. Seneca, New Jersey 9/24/72
 Perry Holm - 296 North Airline Road Wallingford, Conn. 10/27/72
 Gracelyn Grice - 6 Alden Lane Wallingford, Conn. 10/1/72

STORE #2 - NEW HAVEN, CONN.STORE #2 - NEW HAVEN, CONN.

Mr. H. L. Lapina - 2 Sandra Drive - Danford, Conn. 9/26/66
 Tom Shea - 200 York Street - New Haven, Conn. 1/10/47

STORE #2 - NEW HAVEN, CONN.

Mr. C. Rourke - 900 Hancock Ave. Bridgeport, Conn. unknown
 Mr. P. Giville - 322 State Street - Bristol Conn. 3/12/66
 Veronica Horton - 32 Cook Ave. Meriden, Conn. 5/11/57
 Jessie Bauer - Flood Street - Igus Conn. Unknown

STORE #2 - NEW HAVEN, CONN.

Teresa Cunningham - 147 Bradley St. New Haven, Conn. 11/22/70
 Dolores Delucia - 69 Burr Street - East Haven, Conn. 9/9/72

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(Store #7) & Cont'd

(3)

Paula Champagne - 35 Main St. New Haven, Conn. 11/3/66
 Wanda Wilson - 125 Main St. New Haven, Conn. 6/22/72
 Barbara Herbert - 200 Huntington St. New Haven, Conn. 11/10/67
 Ruth Richards - 17 Hope Ave. New Haven, Conn. 6/2/4/60
 Mabel Miller - 520 Howell Terrace Orange, Conn. 11/4/60

CHERRY HILLS - MILFORD, CONN.RECORDS:

Roger Robertson - Address unknown - 7/23/70
 Bruce Morgan - 900 Barnet Plains Road - Milford, Conn. 2/26/70 to 7/1/72
 Ray Wilson - 110 Capwell Ave. - Schville, Conn. 7/1/72 to present

CHERRY HILLS:

Sunset Patrol - Saw Mill Road West Haven, Conn. 7/2/67 to 7/16/70
 Mark Hager - 222 E. Main St. Meriden, Conn. 8/3/70 to 12/7/70
 William Holding - 43 First Ave. - East Haven, Conn. 2/5/72 to 12/1/72
 John Testore - 36 Millmore St. Waterbury, Conn. 2/11/72 to 2/21/72
 William Mann - 62 Richard Ave. Waterbury, Conn. 12/30/72 to present

CHERRY HILLS - DISTRICT:

Walter Ford - DISTRICT CHERRY HILLS - DISTRICT #2 - 1/30/70
 Marie Perkins - Store #2200 Plainville, Conn. - 6/4/70
 Charles Goady - 57 Hedge Ave. Ansonia, Conn. 12/10/69 to 2/23/70
 Robert Jennings - 55 White Van Dr. Milford, Conn. 9/3/69 to 9/17/70
 Raymond Wincello - 12 Jean Dr. Norwalk, Conn. - 10/7/69 to 3/2/70
 Sharon O'Brien - 19 Dalton Road Milford, Conn. - 8/25/69 to 2/25/70
 Carrae Prince - address unknown - 7/11/69 to 8/10/70 (Store #79)
 Neil Santosco - 55 Richards Dr. Norwalk, Conn. 1/1/69 to 3/11/70
 Catherine Knight - 10 Gateway St. Milford, Conn. 2/6/69 to 2/10/71
 Ellen Wood - Store #755 Bridgeport, Conn. 1/30/70
 James Huff - address unknown - 3/6/70 to 5/3/70
 Mary Guellette - 43 Torri Drive - Milford, Conn. 9/2/69 to 5/23/70
 Dorcen Travlinnik - 1200 Roughton Ave. Milford, Conn. 1/16/70 to 1/21/72
 Michel Gairard - 30 Allen Place Milford, Conn. 8/27/69 to 5/2/70
 Joan King - 370 New port Apt. Robert Trent Drive Milford, Conn. 7/10/70 to 1/1/72
 Cary Schmalack - 55 Sparrow Bush Lane - Milford, Conn. 6/10/70 to 9/5/70
 Bonita Tyson - 1478 New Haven Ave. Westport, Conn. 6/10/70 to 7/24/70
 Eyalin Howard - Address unknown - 8/11/70 to 1/23/71
 Carol Juddi (Shain) - 276 Blatchley Ave. New Haven, Conn. 8/26/69 to 8/3/70
 Angela Barnett - 74 Ocean Ave. Milford, Conn. 9/25/70 to 10/22/70
 Thomas Beland - 902 Ocean Ave. West Haven, Conn. 6/2/69 to present
 Lynn Goodin - 11 Art Street Milford, Conn. 10/9/70 to present
 Salato Shorylo - 30 Couals Street Devon, Conn. 9/5/70 to 9/1/72
 Lynn Richards - 25 Beechwood Ave. Milford, Conn. 12/2/70 to 8/5/72
 Joyce Bradbury - 46 Condes Street Milford, Conn. 10/20/70 to 1/7/72
 Jean Flanagan - 29 Cedar Lane Beacon Falls, Conn. 2/26/72 to 3/25/72
 Andrew Marilee - 16 Richard Ave. Milford, Conn. 2/5/72 to Present
 Dorothy Danilovich - 391 Buckingham Ave. Milford, Conn. 2/22/72 to 7/3/72
 Helen Jackson - 443 Robert Trent Drive Milford, Conn. 13/1/71 to 3/23/72
 Gail Morrisroe - 6 Sherbrooke Road Milford, Conn. 2/3/72 to 6/16/72
 Karen Jensen - 114 Cedar Hill Road Milford, Conn. 6/5/72 to 6/13/72
 Ann Hallen 63 Sixth Ave. Milford, Conn. 1/1/72 to 3/30/72
 Peggy Altar - 210 West River Milford, Conn. 11/2/71 to present
 Nancy Barva - 59 Riverdale Road Milford, Conn. 8/19/72 to present
 Mary Brancato - 28 Kenneth Street West Haven, Conn. 7/23/72 to present

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STATE AGENT - WATERBURY, CONN.

STATE AGENT:
Robert Stoddard - 23 Woolson Street Waterbury, Conn. 1961 to present

SECRETARY:

Arlene Fenton - 57-28 Roswood Ave. - Waterbury, Conn. - 11/11/63 to present

CHIEF CLERK:

Kathy Lupton - 34 Calloways Terrace Waterbury, Conn. - 2/10/66 to present

Ann Gresco - 99 Chester Ave. Waterbury, Conn. - 5/20/68 to present

Dona Horvath - 1000 Hollow Road Torrville, Conn. - 7/22/71 to present

Janice Infante - 12 Steuben Street Waterbury, Conn. 7/21/68 to 1/22/71

STATE AGENT - CHESHIRE, CONN.STATE AGENT:

Kenneth Finkle - George Street Old Saybrook, Conn. - 5/27/65 to 1/24/72

Richard Finkle - 817 State Street - New Haven, Conn. - 1/24/72 to present

SECRETARY:

Frances Boudage - Frank Road Prospect, Conn. - 12/5/66 to 9/8/72

Elizabeth Howard - address unknown - 9/8/72

CHIEF CLERK:

Elizabeth Howard - 1/20 Hwy Ave. Wallingford, Conn. 6/26/72 to present (Gr. Hgt.)

Margaret Totman - 1130 Avon Blvd. Cheshire, Conn. 1/7/73

Marjorie Abramski - 1641 Tuttle Ave. Cheshire, Conn. 6/12/67

STATE AGENT - NEW HAVEN, CONN.STATE AGENT:

Robert Oehler - 200 N. Main Street Brookfield Rd. Cheshire, Conn. 5/25/63 to 7/20/73

Adrian Balchowsky - 202 Hill Road, Hampton, New Hampshire - 7/20/73 (retired 3/25/72)

Raymond Holland - 3 Goodwill Road, North Haven, Conn. - 3/20/72 - present

SECRETARY:

Timothy Bennett - 16 Winthrop Ave. Ansonia, Conn. - 1/9/69 trans to 12/1

Allen Pollack - 61 Whittier Road New Haven, Conn. - 9/3/70 trans to 12/29

Paul Shelton - 627 Hillville Ave. Naugatuck, Conn. - 9/10/70-10/15/70

Marjorie Smith - Boston Post Rd. Westbrook, Conn. - 10/19/70 to 6/15/72

CHIEF CLERK:

Harry Pruden - 83 Longwood Ave. Hamden, Conn. 12/29/71 to 3/29/72

Elizabeth Butler - 21 Washington Ave. North Haven, Conn. 3/21/72 to present

Judith Ellsworth - 55 Hilltop Place New Haven, Conn. 10/12/67 to 12/21/71

Elena Kennedy - 15 Westerleigh Rd. New Haven, Conn. 6/22/72 to present

Robert Orfinski - 307 S. Main Street Seymour, Conn. 6/1/71 to 8/26/72

Judith Tomlinson - 1907 Mitchellfield Pike. Woodbridge, Conn. 6/14/72 to 8/21/72

Mary Jane Wilson - Mitchellfield Pike. Bethany, Conn. 9/3/69 to present

Christopher Soules - Clinton, Conn. 6/26/69 to 1/7/71

George Zolan - 35 Highview Terrace, Hamden, Conn. 7/3/72 to 8/20/72

STATE AGENT - NORTH HAVEN, CONN.STATE AGENT:

Gordon Brown - 71 Walnut Lane - Northford, Conn. 8/25/69 to present

SECRETARY:

Christina Davies - Highland Drive - North Haven, Conn. 1/1/70 to 4/17/71

Rale Smith - 9 Backus Court - Wallingford, Conn. 4/27/71

Carol Stein - 276 Hatchley Ave. - New Haven, Conn. 7/5/72 to present

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STATE #1200 - ANSONIA, CONN.STATIONER:

Wallace Mansfield, Orange Center Road Orange, Conn. 9/24/70 to present

GENERAL MANAGER:

Thomas Iovig - 190 Woodtick Road Waterbury, Conn. 2/12/71 to present
Alan Sallack - 61 Whitfield Road New Haven, Conn. 9/12/70 to 3/11/71

CHIEF OFFICE ASSISTANT:

Robert Karsen - 101 Maple Street Seymour, Conn. 1/28/72 to present
Carol E. Ward - 31 Beach Drive - Seymour, Conn. 1/29/72 to present
Harry Korte - 45 Sunset Drive - Shelton, Conn. 1/24/72 to present
Patricia L. Berman - 38 Clover Street Ansonia, Conn. 12/11/71 to present
Harry Barker - 7 Webster Drive - Ansonia, Conn. 11/8/71 to present
Wilson Mallady - 152 Ball Hill Lane - New Haven, Conn. 12/9/71 to present
Patricia Donovan - 62 Kane Street - Ansonia, Conn. 9/17/70 to 5/12/72
Rosemary C. Donovan - 30 Middle Lane - Derby, Conn. 9/22/70 to 11/1/70
Robert C. Sebilo - 2 Fern Circle - Ansonia, Conn. 9/21/70 to 2/28/72
Theresa F. Saroman - 34 Ave. De la Renaissance - Park Residence - Apt. "2A" Brussels, Belgium - 12/21/70 to 1/28/72

Barbara Malone - 137 River Road - Shelton, Conn. 12/2/70 to 1/18/72
Pauline T. Mayo - 1223 Forest Road - New Haven, Conn. 9/21/70 to 1/6/72
Jane L. Wilson - 19 Hutchinson Terrace Drive Ansonia, Conn. 9/21/70 to 11/5/70
Vivienne Carey - 198 W. State Street Ansonia, Conn. 9/21/70 to 10/22/70
Victoria E. Kinney - 32 Hill Street Shelton, Conn. 9/17/70 to 11/20/70
Janet Cavallaro 193 W. Pleasant Street Derby, Conn. 10/21/70
Henrietta A. Upton - 93 Garden Street - Ansonia, Conn. 11/2/70
Gloria D. Vukovsky - 31 Lockman Drive, Huntington, Conn. 2/20/72 to 2/12/72
Marlene G. Hennessey - 116 Myrtle Ave. - Ansonia, Conn. 2/7/72 to 2/25/72
Nathalie Lavoie - 9 Palmetto Circle - Shelton, Conn. 8/10/72 to 11/5/72

STATE #1202 - HARTFORD, CONN.STATIONER:

Stephen Johnson address unknown 8/9/71
E. R. Rumbach - Bolanga Road Hartford, Conn. 10/59

GENERAL MANAGER:

Neil Santoccolo - 55 Richards Drive Meriden, Conn. 2/69
William Redding - 43 - 1st Ave. East Haven, Conn. 9/70
Timothy Donovan - 16 Pincrest Ave. Ansonia, Conn. 7/8/69

CHIEF OFFICE ASSISTANT:

Ruth Celliando - 49 Cherry Hill Road - Meriden, Conn. 9/28/70
Mark Magyar - 255 Miller Street - New Haven, Conn. - 12/1/70
Joanne Holman - 282 Dwight Ave. - New Haven, Conn. 11/16/70
Angelina Freccino - Paradise Ave. Meriden, Conn. - 7/7/69
Elizabeth Rose - 52 Vineyard Road - Meriden, Conn. 10/2/67
Madelaine Santella - 235 Elmwood Ave. - New Haven, Conn. 7/27/70
Marie Siniscalchi - 16 Fieldcrest Lane, Meriden, Conn. 9/7/70
Cath Stasick - 163 Glade Street West Haven, Conn. - 2/16/70
William Holga - 16 Josephine Ave. - West Haven, Conn. 1/29/72
Bonnie Harris - address unknown
Evelyn Johnson - 30 Russell Street - New Haven, Conn. 6/1/71
Alicia Brown - 1166 Dixwell Ave. - Meriden, Conn. 6/11/71
Cheryl Thibodeau - 12 Second Street - Meriden, Conn. 7/8/72
Robert Quirk - Store #1227 Middletown, Conn.
Barbara Choiter - 906 Walley Ave. Apt. 5, New Haven, Conn. 7/16/72

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(Store #1241 Hamden - Cont'd)

Janet Stevenson Pelletier - 47 Angel Place North Haven, Conn. 7/8/72
 Doris Wilcox - 12 Randall Lane - Northford, Conn. 8/16/71
 Dennis Harding - 1550 Dixwell Ave. - Hamden, Conn. 10/4/71
 Stanley Antonian - 1/6 Huntington Ave. New Haven, Conn. 10/11/71
 Linda McMillan - 1852 Dixwell Ave. - Hamden, Conn. 11/20/71
 David Weston - 75 North Benson Street - New Haven, Conn. 9/22/70
 Patricia Grisco - 1015 Old Colony Road - Wallingford, Conn. 9/19/70
 Allen Baker - 282 Terrace Ave. Apt. 11 - West Haven, Conn. 6/2/70
 Alida Kaurvika - 67 Main Street - North Haven, Conn. 9/8/70
 Paul Shilton - address unknown
 Sydney Tets - address unknown - 3/6/70
 Carmel DePino - Store #79 New Haven, Conn.
 Mario Patters - 12 White Drive - Hamden, Conn. 4/27/70
 Richard Balle - 45 Pitman Ave. Hamden, Conn. 5/25/70
 Albert Ambrosio - 201 South Drive - Orange, Conn. 5/12/70
 John Lacey - 122 Linden Street - New Haven, Conn. - 2/6/70
 Edna Kennedy - 15 Westleigh Road - New Haven, Conn. 12/6/68
 Helen Miller - 242 Lusk Drive - New Haven, Conn. 3/6/70
 Rose Lottford - 6 Barbara Ave. - Prospect, Conn. 2/26/70
 Linda Weiner - 45 George Street - Hamden, Conn. 9/27/69
 Florence Caprio - 707 Gibraltar Ave. - Hamden, Conn. 7/2/69
 Charles Klein - 142 Nash Street - New Haven, Conn. 10/27/69
 Kenneth Brunner - 4 Bantrees Drive North Haven, Conn. 12/6/69
 Elizabeth (Minn) Sierra - 154 Village Street - Northford, Conn. 3/2/71
 Ann Melillo - 17 Nelson Ave. Hamden, Conn. 11/22/69
 Regina Tucker - 11 Conn Street - Hamden, Conn. 1/19/71
 Fern Cowellford - 7 Whitney Village - Hamden, Conn. 8/1/72
 Richard Mallin - 58 Main Rd. - Hamden, Conn. 4/1/72
 Diane Thomas - 695 Main Street - Hamden, Conn. 6/15/72
 Susan Sandak - 1200 Hargett Ave. East Wallford, Conn. 4/22/72
 Denis Davis - 99 Grand Ave. New Haven, Conn. 8/15/72
 Terry Michalski - 659 Main Ave. Apt. 12 - Hamden, Conn. 1/21/72
 Sandy Kelley - 673 Elm Street New Haven, Conn. 2/20/72
 Joanne Mitchell - 829 Pine Rock Ave. Sandy, Conn. 4/1/72
 Harvey DeLoos - 25 Oxford Road - West Haven, Conn.
 Carmen Prioso - Store #79 - 1/17/72
 Richard Erikson - address unknown - 12/3/72

STORE #1241 - NEWTON, CONN.RETAIL MERCHANTS:

Eileen, Robert - Roadside Cap Road - Northford, Conn. 7/70 to present

OTHER MERCHANTS:

Veronica Horton - 32 Cook Ave. Hamden, Conn. 5/8/67 to Store #79 New Haven
 Peter Capolotto - 53 Beatty Street. New Britain, Conn. 7/21/71 to present

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(Store #1255 Meriden Cont'd)

GENERAL CHAIR PERSONNEL:

Elizabeth Hollaworth - 31 Applewood Drive - Meriden, Conn. 2/12/66 to present
Stephanie Franco - 9 Calypso Road Meriden, Conn. 9/18/70 to present
Carle Arnold - 333 Loris Ave. - Meriden, Conn. 12/25/70 to present
Barbara Lyons - 70 Wilkes Ave. Meriden, Conn. - 11/25/65 to present
Sallie Bailey - 52 Cherry Street - Meriden, Conn. 6/8/71 to 12-29-71
Patricia Shelly - 61 Ridgfield St. - Meriden, Conn. 12-18/71 to 1/10/72
Evelyn Santiago - 253 S. Cherry St. - Meriden, Conn. 9/18/70 to 11/11/71
Susan Olsen - 10, Miller St Ave. - Meriden, Conn. 3/2/71 to 4/22/71
Robert Sullivan - 295 Ward St. - Wallingford, Conn. 6/12/71 to 6/12/71
Alan Christian - 30 Hillwood Lane - Meriden, Conn. - 9/1/70 to 11/12/70
Elizabeth Trussell - 1990 N. Broad Street - Meriden, Conn. 2/1/72 to 2/10/72
Lorraine Chandler - 85 Windsor Ave. Meriden, Conn. - 1/3/71 to 2/1/71
Helen Rogers - 16 Atkins Street - Meriden, Conn. - 11/23/70 to 1/23/71
Robin Evans - 81 Fairfield Ave. - Meriden, Conn. 12/1/70 to 1/6/71
Ronnie Ferguson - 57 North Street - Meriden, Conn. 10/15/70 to 12/10/70
Joyce Boland - 98 Northern Ave. Waterbury, Conn. 9/1/70 to 11/3/70
Dottie Fields - 146 Britannia St. Meriden, Conn. 9/30/70 to 11/2/70
Marjorie Harter - 8 Prescott Street - Meriden, Conn. 10/19/70 to 12/1/70
Minerva Galano - 53 South Second Street - Meriden, Conn. 11/17/69 to 11/2/71
Tom Vorschendorf - Moved to New Jersey - no address - 10/1/70

STORE #1256 BRANFORD, CONN.

SALES PERSONNEL:

Charles Murray - 67 Bradley Corner Road - North Meriden, Conn. - 3/77 to 9/23/72
John Slot - Woodville Road - Branford, Conn. - 5/26/72 to present

GENERAL PERSONNEL:

Robert Blackader - 39 Beaverhead - N. Guilford, Conn. - 1/21/71 to 1/21/72
Robert Sullivan - 293 Ward St. - Wallingford, Conn. 12/27/71 to present

GENERAL CHAIR PERSONNEL:

Suzanne Epton - 95 Sunset Hill Drive - Branford, Conn. 1/22/71 to 6/31/72
Pat Daliato - 58 W. Lake Manor - N. Guilford, Conn. 2/7/72 to present
Barbara Harris - R. Bernaliff Rd. - Northford, Conn. 5/5/72 to present
Frank Quinto - 95 Sunset - West Haven, Conn. 1/29/72 to present
Cheryl Harbault - 6 Greenway Road - Branford, Conn. 12/15/71 to 1/10/72
Rhonda Gordon - 133 Florence Road - Branford, Conn. 11/4/71 to 3/30/72
Nancy Kachars - 25 Windmill Hill Road - Branford, Conn. 1/3/72 to 8/31/72
Barbara Smith - 119 Paddlers Road - Guilford, Conn. 3/15/71 to 2/25/72
Jacqueline Gagnon - 13 Wardsick Lane - East Haven, Conn. 2/12/71 to 3/2/72
Karen Langwin - 53 Briarwood Lane - Branford, Conn. 1/23/71 to 12/23/71
Carol Shain - 276 Hatchery Ave. - New Haven, Conn.
Patricia Harrone - 37 Ark Road - Branford, Conn. 6/71
Barbara Bruno - 16 Madley Road - Branford, Conn. 2/17/72 to 1/12/72
Dorothy Cameron - North Street - Guilford, Conn. 3/29/71 to 11/3/71

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ORDER RE FURTHER MOTION PROCEEDINGS**IN THE
UNITED STATES DISTRICT COURT****DISTRICT OF CONNECTICUT****[SAME TITLE]**

Counsel having conferred this date with the undersigned for the purpose of determining the course of initial proceedings to be followed in view of the Court's order of February 16, 1973 denying defendant's motion to dismiss without prejudice and continuing plaintiffs' motion for certification of the suit as a class action; and

Counsel having represented that a record of stipulations, deposition transcripts and other documents can be promptly developed and submitted as a more adequate basis for ruling upon plaintiffs' motion for class action determination and certain aspects of both defendant's motion to dismiss and plaintiffs' pending motion for summary judgment, as well as plaintiffs' contemplated application for preliminary injunctive relief;

In accordance with the schedule agreed upon by counsel, it is hereby ordered that

1. Counsel are promptly to claim and bring on for hearing or rehearing on April 16, 1973

(a) Plaintiffs' motion for summary judgment (as to Counts I, II, IX and X);

(b) Plaintiffs' contemplated application for preliminary injunctive relief;

(c) Plaintiffs' motion for class action determination; and

(d) Defendant's motion to dismiss (at least as to the issues of pendent jurisdiction and applicability

Order re: Further Motion Proceedings

of Conn. Gen. Stat. § 42-84, it being understood that a limited renewal or reargument of the motion to dismiss is without prejudice to defendant's right to be heard at some later date on the merits of its other claimed grounds for dismissal);

2. Counsel are to develop the contemplated underlying record for such motions expeditiously, and to file by April 9, 1973 the stipulations, deposition transcripts and other documents composing such record, together with appropriate briefs;

3. Any reply briefs may be served and filed by April 13, 1973; and

4. Counsel are to appear at 2:00 P.M. on April 16, 1973 for such oral argument of the motions as may be requested by the Court.

Dated at New Haven, Connecticut, this 6th day of March 1973.

ARTHUR H. LATIMER

United States Magistrate

**AFFIDAVIT IN OPPOSITION TO PLAINTIFFS'
MOTION FOR PARTIAL SUMMARY JUDGMENT,
MOTION FOR CERTIFICATION AS A CLASS ACTION
AND MOTION FOR TEMPORARY INJUNCTION**

IN THE
UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

[SAME TITLE]

Robert J. Kelly, being duly sworn deposes and says:

1. I am Secretary and General Counsel of the W. T. Grant Company (hereinafter referred to as "Grants").

2. I make this affidavit in opposition to plaintiffs' motion for partial summary judgment, motion for certification as a class action, and motion for a temporary injunction in the above-entitled matter. It is made on my personal knowledge and recollection of the events described herein as of the date of the complaint in this action.

3. Grants is a corporation incorporated in 1937 under the laws of the State of Delaware, has its principal office in New York City, and is licensed to do business in the State of Connecticut.

4. Grants is engaged in the business of selling a wide variety of merchandise at retail and for this purpose owns and operates 1,168 stores in 43 states including 55 stores in the State of Connecticut. In fiscal 1971, Grants had gross sales of \$1,374,811,791.

The Coupon Installment Plan

5. For many years, Grants, in addition to cash sales, has made sales of merchandise under three time-payment

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plans. These time-payment plans are designated by Grants as follows:

1. "Special Purchase Installment Plan" or "big ticket" account,
2. "Coupon Book Installment Plan",
3. "30-Day Option Plan"

6. The "30-Day Option Plan" is the well known open-end revolving charge account. The customer receives a charge card, which he presents at the time of purchase of merchandise, and he agrees in a Retail Installment Credit Agreement to pay a minimum of 10% of the balance of his account each month. The customer receives a bill once a month stating the balance due on his account. If he pays the entire balance within 30 days of the date of the first billing, there is no finance charge. If he does not pay the entire balance within such 30-day period, finance charges are added to the bill each month based on the unpaid balance as of the beginning of the preceding monthly billing period. Since the monthly payments are based upon a percentage of the unpaid balance of the customer's account, the amount of such monthly payments fluctuates from month to month, depending on the unpaid balance when the customer is billed. Grants does not retain a security interest in merchandise sold under this plan.

7. Under Grants' "Special Purchase Installment Plan" a customer selects one or more articles of merchandise, and agrees in a retail credit agreement to pay for the merchandise in equal monthly installments over a fixed period of time. The fixed periods vary between a minimum and a maximum number of months. Over the years, the limits

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have varied between a minimum of 9 months and a maximum of 37 months. A finance charge, which is called a "time-price differential", is determined and included as part of the selling price in the agreement. The monthly payments vary from \$5 to \$24 on sales from \$35 to \$500, respectively. The customer receives an installment payment card, which he mails or presents monthly, to Grants, together with the monthly payment. Grants records the receipt of the monthly payment on the card for the customer's records. Grants does not bill its customers under the Special Purchase Plan. Grants retains title to the merchandise purchased under this plan until full payment is made.

8. Under Grants' "Coupon Book Installment Plan", which has been continuously in effect in Connecticut since no later than 1946, a customer who has established a satisfactory credit rating is issued a book of coupons, which the customer uses when acquiring merchandise. Such coupons are issued in books of \$10, \$15, \$20, \$25, \$35, \$50, \$100, and \$200 which contain coupons of various denominations totaling these amounts. Each coupon book is numbered. At the time the coupon book is issued to the customer, the customer agrees in a retail installment sales contract to make payment for a specified amount of coupons in equal monthly installments over a fixed period of time. Over the years, the periods have varied between a minimum of 4 months and a maximum of 25 months. At the time of issuance of the coupon book to the customer and execution of the retail installment sales contract, the time-price differential is determined and included as part of the selling price in the agreement. This plan provides for monthly payments ranging between \$5 and \$20 on sales

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between \$10 and \$300, respectively. Coupons may be exchanged by the customer for merchandise at any of Grants' stores throughout the country, regardless of where such coupons are issued. The customer is provided with an installment payment card, identical to that described above with respect to the "Special Purchase Installment Plan", which he mails or presents monthly to Grants, together with the monthly payment. Grants records receipt of the monthly payment on the card for the customer's records. Grants does not retain a security interest in either the coupons or the merchandise for which the coupons are exchanged. Grants does not bill the customer under the "Coupon Book Installment Plan". It should be noted that the use of coupons is not unique to Grants; coupons are used by other major retailers throughout the country.

9. For purposes of economy and convenience, Grants uses the same form retail installment sales contract for both the "Special Purchase Installment Plan" and the "Coupon Book Installment Plan". Under both the "Special Purchase Installment Plan" and the "Coupon Book Installment Plan", the customer may prepay the full balance due under the retail installment sales contract, in which event he receives a proportional refund credit of part of the time-price differential, as required by applicable state law. A customer may return merchandise or unused coupons, in which event the amount due under the retail installment sales contract and the time-price differential will be appropriately reduced. A customer may enter into a new retail installment sales contract before the final installment under a prior agreement is due, in which event the new contract will incorporate the prior balance due and will include a new time-price differential, determined at the time of sign-

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ing the new agreement, with reference to the new principal amount. This is known as "add-on" contract. In Connecticut, the finance charge under the "Special Purchase Installment Plan" and the "Coupon Book Installment Plan" are exactly the same.

10. In order to obtain any of the Grants' time-payment plans, a customer must fill out a credit application in the form attached hereto as Exhibit 1. Depending on how the customer "scores", he may under Grants' credit policies, be eligible for none or all of the Grants' time-payment plans. It is estimated that approximately 30% of persons who make such application do not qualify for any of Grants' time-payment plans. The least difficult time-payment plan to qualify for is the "Special Purchase Installment Plan" because Grants' exposure is limited to a fixed dollar amount and it retains a security interest in the goods sold; the "Coupon Book Installment Plan" is more difficult to qualify for because although Grants' exposure under this plan is limited to the face amount of the coupons, it does not retain a security interest in the coupons or the merchandise for which the coupons are exchanged; the "30-Day Option Plan" is the most difficult plan to qualify for because Grants' exposure is not limited and it does not retain a security interest in merchandise purchased. During fiscal 1971, 9.7% of Grants' gross sales were under the "Special Purchase Installment Plan", 9.5% under the "30-Day Option Plan" and 7% under the "Coupon Book Installment Plan".

11. The "Coupon Book Installment Plan" is designed for the customer with a limited income and the need to

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adhere to a tightly disciplined budget. Monthly payment by the customer with the "Coupon Book Installment Plan" is *always lower* than the monthly payment under the "30-Day Option Plan" for the same dollar amount purchased. As a result, because it is a closed-end plan, not open-end like the revolving charge, not only is the monthly charge fixed but the payments are spelled out over a stated fixed period of time. Therefore, the customer is unlikely to exceed his or her budgetary limits.

12. As stated above in Paragraph 9, the customer may, at any time, return unused coupons to the store where purchased and receive a full credit refund for the face amount of the coupons plus a complete finance charge refund on the unused coupons. This absolute right is displayed in prominent type on every retail installment sales contract in the "Notice to Buyer". Our customers understand and exercise this right to return and in the period from January 1, 1971 to July 31, 1971, the dollar value of coupons which were returned for refund was an average of \$1,865,876 per month. Thus, the Grants' coupon book customer is never "stuck" with a book larger than his or her immediate purchasing needs require, and hence is not under any compulsion to meet any monthly payment obligation.

13. The Grant credit coupon book customer is not obligated to make a monthly payment under the contract application until and unless some coupons are exchanged for specific merchandise. When there is such an exchange the payment obligation commenced and the first monthly payment is due 30 days from the date of the first exchange. This triggering device was put into the plan late in 1970

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at the request of the Federal Trade Commission, however, our experience is that the average customer does not enter into a contract to purchase a coupon book unless an immediate exchange of coupons for specific merchandise is in mind. Usage tests conducted on a sample basis by the Company under a procedure established by Ernst & Ernst, covering a period from February 1, 1969 through January 31, 1970, have disclosed that 90% of the coupons were exchanged for merchandise within 60 days from the date the coupon book was issued to the customer, and 81% of all coupons were redeemed for merchandise within 30 days of issuance. Indeed, in every fiscal year since and including 1965 over 99.5% of the coupons purchased have been exchanged for merchandise or returned.

14. The Grant credit coupon book customer is not penalized if an unused or partially used book is lost, destroyed or stolen, even if some carelessness is evident. In the event of a loss for any cause the Company will, on submission of a report, either replace the lost coupons or adjust the unpaid balance due by deducting therefrom the face value of the coupons missing and all finance charges thereon. In observing this policy, the Company relies on the integrity of most of its customers in reporting only true losses. During the period from January 1, 1971 to July 31, 1971, it was determined that coupons having a total face value of \$110,000 were reported lost, stolen or missing. During the same period an additional \$79,000 in coupons were reported destroyed. These coupon book losses are carried by Grants as a cost of doing business. The fact that the amount of coupons lost is small is undoubtedly due to the proven fact

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that 90% of all coupons are redeemed within the first 60 days.

15. The Grant credit coupon book customer may prepay the contract indebtedness at any time. If this right is exercised within 30 days of the date the coupons are first redeemed, no finance charge at all is imposed. If prepayment is exercised at a later date, the customer receives a credit of the unearned finance charge in accordance with the method of computation provided for in the retail installment sales acts of the State of Connecticut (i.e., the sum of the digits method).

16. The Grant coupon book customer is not obligated to select insurance as a consideration for obtaining credit. It is a voluntary selection, and the selection of insurance is reflected on each contract form by a signature separate from the signature of the buyer at the bottom of each contract form. Since March of 1972, the customer has also been required to sign for a copy of the separate certificate of insurance itself and receives a copy of the separate certificate. A sampling of our accounts in Connecticut in 1971 and part of 1972 indicates that acceptance of insurance during these periods ranged from 30% to 57% but that insurance was rejected in from 43% to 70% of the occasions. The fact that customers have generally understood the voluntary nature of the insurance is readily apparent. If a customer selects insurance, then such insurance is subject to the same refund adjustments described above in paragraph 12.

17. The plan's widespread popularity and acceptance with untold numbers of Grant customers over the past 26

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years attests to its utility. As pointed out, it clearly meets and has met over the years the needs and desires of customers in the limited income category to plan their purchases with a degree of care to meet their particular family needs—most frequently during the Easter, Back-to-School and Christmas selling seasons.

18. Grants has sold coupons in Connecticut since 1947 under retail installment sales contracts. The coupon plan was created not to evade the usury laws but to give low income consumers the opportunity to pay for things on time and at the same time to limit Grants' exposure and to minimize the expense of operation of the plan. Indeed, it has been our experience that some Grants' customers pay cash for the coupons because the coupons are safer than cash and will be replaced by Grants if lost, destroyed or stolen.

19. Prior to January 1, 1973, the delinquency rate on coupon accounts in Connecticut was three times that for revolving charge accounts. As of January 1, 1973, Grants has discontinued the coupon plan in Connecticut pending a final judgment in this case. Grants regrets that this action became necessary because it eliminates a source of credit, perhaps the only source of credit, for low income consumers who cannot qualify for Grants' revolving charge or other revolving charge plans.

Compliance with Federal Consumer Protection Act

20. As secretary and general counsel of Grants, all retail installment sales contracts used by Grants including all of those involved in the present action are prepared under my supervision and direction.

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21. The Federal Consumer Protection Act was enacted on May 22, 1968 to become effective July 1, 1969.

22. Immediately after passage of the Act, I began to prepare to make sure that Grants' retail installment sales contracts complied with the provisions of the Act. Two days after the Act was passed CCH, Commercial Clearing House, issued a booklet describing the law as best they could. Then all the major, as well as the smaller, retailers in the New York area became involved through various trade organizations, such as the American Retail Federation and the National Retail Merchants Association, in revising their contract forms to comply with the Act and regulations. These trade organizations set up meetings in all the large cities of the United States including New York to review the Act with their members. I attended all meetings held in New York on behalf of Grants. In late 1968, the National Retail Merchants Association sponsored a meeting in New York and invited speakers from the Federal Trade Commission and the Federal Reserve Board, which under the act was given responsibility for its administration and the eventual issuance of implementing regulations and interpretations thereof. The Federal Trade Commission was represented by Mr. Sheldon Feldman and the Federal Reserve Board was represented by Mr. Robert Jacobsen. At this meeting all the retailers were instructed that if they had any questions as to whether their contract forms complied with truth-in-leading that they contact Mr. Roy Jensen at the New York office of the Federal Reserve Board. On behalf of Grants, I accepted Mr. Jacobsen's invitation and arranged for a meeting with Mr. Roy Jensen, at his office to review all our contract forms, "new" and "add-on". At

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this meeting, the Federal Reserve Board suggested a few minor changes but nothing substantial in our forms. We made the suggested corrections. At this point in time, our standard forms used the term "unpaid balance" rather than the term "amount financed". See Exhibit 2 attached hereto.

23. In June of 1969, I received the pamphlet entitled "What You Ought to Know About Truth-in-Lending" published by the Federal Reserve Board. A copy of Exhibit C contained in this pamphlet is attached hereto as Exhibit 3. This pamphlet subsequently became the bible for every one involved in complying with the Act. After reviewing Exhibit C in this pamphlet at my direction the term "unpaid balance", on our existing forms, was changed to "amount financed" to bring our forms in conformity with the sample form published by the Federal Reserve Board. A copy of the revised form is attached hereto as Exhibit 4.

24. Also prior to the effective date of the Act, I received an inquiry from a New York state official as to the propriety of selling the coupon books in a "closed-end transaction". In response to this inquiry, I wrote the Federal Reserve Board requesting their opinion. By letter dated July 1, 1969, the Federal Reserve Board responded. The letter included the following statement:

Accordingly, it is my opinion that your plan would not met the test of § 226.2(r) for open-end credit and disclosures would have to be made under § 226.8. *Credit other than open-end credit—specific disclosures.*

(Emphasis original)

A copy of the letter is attached hereto as Exhibit 5.

*Defendant's Affidavit in Opposition to Plaintiffs' Motion
for Partial Summary Judgment, Motion for
Certification as a Class Action and Motion
for Temporary Injunction*

25. In the Spring of 1970, after the effective date of the Act, the Federal Trade Commission requested that Grants submit all its forms to the Washington office of the Federal Trade Commission for their review. Under the Act, it is the Federal Trade Commission which has the sole authority to move against any violations. In response to this request, we submitted all our forms and then requested a meeting with the Federal Trade Commission to review the forms in connection with the Act. As a result of this request, I went to Washington with our Credit Director, Mr. Anthony Lorenzo, and met with Mr. Sheldon Feldman and Mr. Louis Franke of the Federal Trade Commission and reviewed the entire coupon book situation. As a result of this meeting, Grants made five additional disclosures in its retail installment sales contract for coupons. These changes are stated in a letter dated May 6 from me to Mr. Feldman. A copy of this letter is attached hereto as Exhibit 6. At this time, the Federal Trade Commission requested no other changes.

26. In March of 1972, the Washington office of the Federal Trade Commission again reviewed Grants entire coupon operation including its retail installment sales contract forms. The Federal Trade Commission has suggested no changes in these forms based on this review.

27. At the several meetings I attended, both with the Federal Reserve Board and Federal Trade Commission, there was very little discussion regarding "add-on" procedures and to people familiar with the Act and Regulation Z, this area is still quite unsettled and has not been the subject of definitive interpretation by the Federal Reserve Board. Ever since the Act has been in effect, I have re-

*Defendant's Affidavit in Opposition to Plaintiffs' Motion
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viewed all the applicable advisory opinions issued from time to time by the Federal Reserve Board and have found very little in clarifying material as to how they would like an "add-on" transaction disclosed.

28. In order to enable our store personnel to correctly complete the disclosure provisions in our form contracts, we have prepared a set of instructions and tables which if correctly utilized will enable the store personnel to correctly determine the finance charge and the amount of monthly payments and the number of monthly payments. I have reviewed the Ives contract attached to the Complaint in this action as Exhibit A. It is clear from that contract that the number of monthly payments is misstated, however, if the Grants' employee who had filled out this contract had correctly followed the instructions and tables issued by Grants, this error would not have occurred.

29. I am familiar with the operation of Grants credit insurance program with the Continental Assurance Company. Under that program the insurance coverage provided under the credit life, and credit, accident and health policies does not terminate at the time that "add-on" occurs. The coverage remains in full force and effect.

ROBERT J. KELLY

Robert J. Kelly

William J. Egan

Notary Public

Subscribed and sworn to before me this 3rd day of May, 1973.

EXHIBIT 1

DO NOT FILL IN - OFFICE USE ONLY

ACCOUNT NO.										0	1	INS. CODE		TYPE ACCT.	
1 - Ins. 0 - No Ins.										0 - Reg. 30 Day					
2 - Comm. A/C										2 - Emp. A/C					

W.T. GRANT CO. - CREDIT APPLICATION

CHECK ONE ☐ MR & MRS ☐ MR ☐ MRS ☐ MISS

PRINT NAME EXACTLY AS YOU WISH TO BE ADDRESSED

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

PRINT YOUR FIRST NAME

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

PRINT SPOUSE'S FIRST NAME

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DATE
MARRIED

MONTH

YEAR

PRINT STREET ADDRESS

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

PRINT CITY

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

STATE

ZIP CODE

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DO NOT FILL IN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

AVE. LIVED HERE SINCE: MONTH YEAR NUMBER OF YEARS AT PREVIOUS ADDRESS:

E OF SPOUSE	YOUR AGE	MY HOME PHONE IS:	EX
			OP

AVE. OF EMPLOYER:

ADDRESS OF EMPLOYER:

OCCUPATION

EMPLOYMENT SINCE: MONTH YR. NUMBER OF YEARS AT PREVIOUS EMPLOYMENT:

AVE. OR VE HAD COUNTS AT:	OPEN	CLOSED
	<input type="checkbox"/>	<input type="checkbox"/>
	OPEN	CLOSED
	<input type="checkbox"/>	<input type="checkbox"/>

CHECKING

SAVINGS

ANY AT: AVE. OF BANK

OTHER INFORMATION

NEAREST RELATIVE

RELATIONSHIP

ADDRESS

ADDITIONAL INCOME (SPOUSE WORK, PART TIME JOB, ETC.)

DATE PURCHASED BIG TICKET MOSE.

DESCRIPTION

DATE OF APPLICATION	DATE APPROVED	APPROVED BY	HIGH LEVEL
---------------------	---------------	-------------	------------

APPROVAL FOLLOW-UP (IF ANY)

CREDIT INVESTIGATION

STEP #1 (CARDS)

STEP #2 (BUREAU)

STEP #3 (CR. SL. PAY)

STEP #4 (CR. REF. LISTED)

STEP #5 (P.O. &.)

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SC 121-3 WIG 67058 (1/72)

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10013

DATE _____

Seller's Place of Business

Buyer(s)

FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's

Buyer's Residence

NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer

Weekly Income

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final installment is due and receive rebate credit of unearned credit service charge and charge(s) for insurance(s), if any, in accordance with sum of the digits method, less such acquisition charge as may be authorized under state law. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete service charge refund on the unused coupons. A like adjustment is made on insurance charges, if any.

charge refund on the unused coupons. A like adjustment is made on insurance charges, etc.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

Conditions:			
QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
1. Cash price of goods or services		7. Unpaid balance (3 plus 6)	
2. Cash down payment		8. Total credit service charge (computed on "7")	
3. Unpaid balance of cash price (1 minus 2)		9. Time sale price (1 plus 6 and 8)	
4. Credit life insurance, (if selected)		10. Time balance (7 plus 8)	
5. Accident and sickness insurance, (if selected)		Payable in _____ equal instalments of \$ _____ and one final instalment of \$ _____ starting on _____ and monthly thereafter.	
6. Other charges, (4 plus 5)			

Payments due hereunder are to be made to the W. T. Grant Company at _____ STORE ADDRESS

ANNUAL PERCENTAGE RATE OF FINANCE CHARGE _____%

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any installment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) one month after such default, an amount calculated at the rate of five (5) cents for each dollar of the installments so in default, or the sum of five (5) dollars, whichever is less; (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid balance shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the seller; (H) that Group Term Life Insurance under a group creditors insurance policy procured by the seller is selected, and the credit life insurance charge specified above is agreed to; (I) that Accident and Sickness Insurance under a group creditors accident and sickness policy procured by the seller is selected and the credit accident and sickness insurance charge specified above is agreed to, only if a charge is shown in the appropriate space and/or spaces above (4 and/or 5) and the name of the buyer to be insured is set forth in the space immediately below prior to the execution of this contract. The insurance is for the term of the indebtedness and the life insurance provides benefits equal to the amount owed and the accident and sickness insurance provides benefits for a covered disability equal to the monthly installment.

PRINT NAME OF PUTER TO BE INSURED IF OPTIONAL INSURANCE IS ELECTED

(1) Buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract.

Credit Contract.
This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Dept.

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALLMENT CREDIT CONTRACT

W. T. GRANT COMPANY

(Buyer)

(Co-Buyer)

BC-14 CORR. (WTG 83636)
TL 12/80

By

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Exhibit

EXHIBIT C

[illegible]

EXHIBIT 4

retail instalment sales contract-new and reopened

Exhibit 4

GRANTS CREDIT PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY
NEW YORK, N. Y. 10018

Seller's Place of Business _____

Buyer(s) _____

DATE _____

FULL NAME OF HUSBAND (IF MARRIED) _____

WIFE'S FULL NAME _____

Buyer's

Residence _____

NO. AND STREET OR ROAD AND ROUTE _____

CITY _____

STATE _____

ZIP CODE _____

Employer _____

Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final instalment is due and receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the sum of digits method. When such rebate is less than \$1, no rebate will be made. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance charge refund on the unused coupons. A like adjustment is made on insurance charges, if any. To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.

Financed (the sum of lines 1-5)



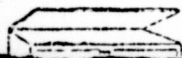
BRADFORD
APPLIANCES

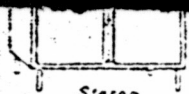


Portable Television

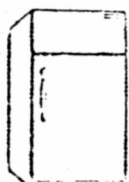


Home Entertainment
Centers





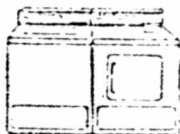
Stereo



Refrigerators



Freezers



Washers & Dryers



Gas & Electric Ranges

1. Cash price of goods	7. Amount of cash price less 5, 6[a] and [b]
2. Cash down payment	8. FINANCE CHARGE
3. Unpaid balance of cash price (1 minus 2)	9. Deferred payment price (the sum of lines 1, 4, 6[a], [b] and 8)
4. Property insurance (if selected, based on 1)	10. Total of payments (7 plus 8) (Time balance)
5. Total of 3 plus 4	
6. Other insurance charges: [a] Credit life (if selected) [b] Accident & sickness (if selected)	The Buyer agrees to pay to the Seller the "Total of Payments" shown above [10] in _____ equal monthly installments of \$ _____ and one final installment of \$ _____ starting on _____ and all subsequent installments on the same day of each consecutive month until paid in full.

Payments due hereunder are to be made to the W. T. Grant Company at _____ STORE ADDRESS

ANNUAL PERCENTAGE RATE _____ %

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any installment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the installments so in default, or the sum of (5) dollars, whichever is less (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment at any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married represents having authority from spouse to sign this Retail Installment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

INSURANCE AGREEMENT	
The purchase of credit life insurance and accident and sickness insurance alone, property insurance alone, OR all 3 types of coverage, is voluntary and not required for credit. The cost of each type of insurance for the term of the contract is listed below and you may select the coverage you desire by checking the appropriate box and signing and inserting the date where indicated. If no box is checked and this insurance agreement is unsigned, no coverage will be provided. Print the name of the insured only when credit life and accident and sickness insurance is selected. Property insurance may be obtained by you through any person of your choice.	
<input type="checkbox"/> I wish Property	\$ _____
<input type="checkbox"/> I wish Credit Life and Accident & Sickness	\$ _____
TOTAL \$ _____	
The name of the insured is _____	
Date _____	Signed X _____

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALLMENT CREDIT CONTRACT.

W. T. GRANT COMPANY

X

(Buyer)

By _____

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EXHIBIT 5

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

DIVISION OF SUPERVISION
AND REGULATION

RECEIVED

JUL 2 1969

July 1, 1969.

LAW DEPARTMENT

Mr. Robert J. Kelly,
W. T. Grant Company,
Fourteen Forty-One Broadway,
New York, New York. 10018

Dear Mr. Kelly:

This is in reference to your letter of May 20, 1969, inquiring whether Grant's instalment credit coupon book plan falls within open end credit as defined in § 226.2(r).

It is my understanding that under the plan a customer purchases a book of credit coupons for a total set amount, for example \$50. The purchase obligates the customer to repay the \$50 plus precomputed interest over a predetermined repayment period in instalments. While the customer is immediately entitled to use the credit coupons to purchase merchandise, whether he does so or not is immaterial with regard to his obligation to repay. Neither the period of repayment, instalment amounts, or payment dates are determined by the customer's actual use of the coupons. It would in fact be possible for him to have fully repaid the obligation and not have used any coupons.

While this type of plan would satisfy the first requirement for open end credit, that is, that the customer is permitted to make purchases from time to time, your plan does not contemplate the existence of an account under which there will be repetitive transactions on a revolving basis (see interpretation § 226.203). Furthermore, it does not meet the crucial third criteria under § 226.2(r) that "a finance charge may be computed by the creditor from time to time on an outstanding unpaid balance."

Accordingly it is my opinion that your plan would not meet the tests of § 226.2(r) for open end credit and disclosures would have to be made under § 226.8 Credit other than open end--specific disclosures.

Very truly yours,

Griffith L. Garwood
Griffith L. Garwood,
Attorney.

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EXHIBIT 6

CERTIFIED MAIL
R. R. R.

May 6, 1970

Cheldon Feldman, Esq.
Acting Chief, Division of Consumer Credit
Federal Trade Commission
Bureau of Deceptive Practices
Washington, D. C. 20500

Re: Your File No. 602 3487

Dear Mr. Feldman:

Since our meeting with you and Mr. Franks on April 20 we have had the opportunity of thoroughly reviewing with our management the matters discussed. This letter reflects the position of our management. We request that you submit it to the Commission for its consideration and we include, by reference, our letter of May 14, 1969, addressed to Mrs. Mulhern of the New York Field Office which is part of your file. By doing this we hope to keep this letter reasonably short and to avoid needless repetition. At the same time it will provide a further opportunity to correct any misconceptions which may still exist regarding the usage and operation of our coupon book plan.

At the outset let it be clear that the Grant Company does not consider that the operation of its present coupon book plan is unfair in any way within the meaning and interpretation of Section 5 of the Federal Trade Commission Act or by the application of any more demanding ethical standard of business practice.

Since 1916 this plan has been in use in every Grant store in the United States. It has always enjoyed widespread acceptance and popularity with hundreds of thousands of customers in all parts of the United States and has been productive of relatively few complaints over the years. For many sound reasons this acceptance is well deserved. It affords the customer a great convenience in handling small transactions by eliminating the need for a sales slip for each transaction. It allows the customer to budget her spending; to know exactly how much she has spent and

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Sheldon Feldman, Esq.

May 6, 1970

has left to spend, and to know precisely what her monthly payment would be. She also has the satisfaction of knowing that regardless of the location of the store where her coupon book is purchased, she has the privilege of using it in any Grant store in the United States. These particular features have proven especially attractive to a large percentage of Grant's average customers. To keep the record straight, however, it should also be noted that Grant offers to its customers a "big ticket" closed-end installment purchase plan, and also the familiar open-end revolving charge plan.

Specific legislative authorization of coupon books and merchandise certificates is found in the retail installment sales acts of twenty-five states at present. In those states and in fact in all states there have been no legal proceedings initiated by any state agency to bar their use. It is also pertinent to note that the National Conference of Commissioners on Uniform State Laws has made provision for the inclusion of merchandise certificates and coupons in its revised final draft of the Uniform Consumer Credit Code.

This record of continuous customer acceptance for twenty-four years combined with specific statutory approval in many states and tacit and implied approval in the others, evidences, in our opinion, a broad recognition that the coupon book plan is fair and equitable. Were it otherwise, we are certain that our customers would have long since rejected it and that state agencies would also have moved promptly against it.

During our April 20 meeting you pointed out that the focal point of the Commission's objections to the plan was the fact that the finance charge is imposed at the time the contract is signed and payments may begin before the coupons are exchanged for specific merchandise. In rebuttal we pointed out that the Company's experience is that 94% of the dollar value of all coupons sold is redeemed within sixty days after purchase. This fact lends support to our conviction based on long experience, that customers generally do not contract to purchase coupon books unless immediate purchases are in mind.

Another vital fact pertinent to this issue which more often than

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May 6, 1970

not is overlooked is that a coupon book customer always has the right at any time to return unused coupons to the store where purchased and receive a full credit for the face amount of the coupons returned, plus a pro rata (complete) refund of the credit service charge on the unused coupons as of the date of issuance of the coupons. This absolute right to return unused coupons has always been acknowledged by Grant despite the fact it is provided for only in the Retail Installment Sales Act of New York and not in the other twenty-four states. Its significance cannot be ignored. It permits a customer who may have overestimated her needs for coupons or who abruptly changes her plans regarding their use, to return them at any time and thus avoid any charge whatever on the unused coupons. In our considered judgment it eliminates any possibility of unfairness.

Finally, at our meeting we pointed out that the legal basis for coupons as set forth in the retail installment sales acts of all those states which specifically cover coupons, is to treat the coupons themselves as "goods". Hence, the subsequent use of coupons for specific merchandise represents a series of exchanges and is not considered a series of sales. The importance of this distinction is great in upholding their sale under the time price theory. It is also relevant in considering the Commission's objection regarding the imposition of the finance charge.

For the reasons set forth above the Grant Company believes that the objection of the Commission to the imposition of finance charges before the coupons are actually used, is unwarranted when considered with all the facts. More specifically, it is a certainty that the administrative cost and complexity in setting up a coupon book system or a gift certificate system whereby the buyer or donor, as the case may be, is charged only at such time as individual coupons or certificates are exchanged for specific merchandise, would be prohibitive to any retailer. It is submitted that the legislators and legislative draftsmen of these retail installment sales acts which specifically cover coupons and merchandise certificates clearly foresaw and understood the practical impossibility of setting up special procedures regarding application of finance charges for this type of credit transaction. They overcame and resolved the problem by legally defining coupons and merchandise certificates as "goods" and by providing that all "goods" whether tangibles or coupons, are treated in the same manner in all major respects, including the

Sheldon Feldman, Esq.

May 6, 1970

imposition of finance charges.

While the Grant Company has indicated in this letter its position regarding the primary objection of the Commission to the plan, it is, nevertheless, desirous of responding to the Commission's objection to whatever extent possible to try to satisfactorily eliminate the objection. The Company is also prepared to provide additional disclosures. With this in mind and without prejudice the Company is ready to initiate the changes set forth below. Should they be acceptable to the Commission they will be introduced as rapidly as possible.

1. Set up an appropriate system whereby on the installment sale of a coupon book under a closed-end now or reopened account the payments and other computations will not become effective until the first actual exchange of coupons for specific merchandise.

2. Delete all reference to acquisition charges now appearing in some contract forms at the next regular printing of each form.

3. Include in our contract forms an affirmative statement to the effect that if a coupon book (unused or partially used) is lost, destroyed or stolen, the Company will, on prompt notice of such a mishap, adjust the unpaid balance due under the contract by deducting therefrom the face value of the coupons missing and all finance charges thereon. This is not a new policy, but merely re-emphasis of an existing one.

We wish to make it clear that the Company sincerely believes that the changes proposed effectively meet the Commission's objections. Again we thank you for your patient review of our plan at the April 20 meeting, and also for your obvious interest and concern in determining the facts about it.

Very truly yours,

Robert J. Kelly

cc Lewie Franke, Esq.
cc Messrs. Mayer

Curtin
Zimmerman
Lorenzo

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AFFIDAVIT

This affidavit is being made at the request of W. T. Grant Company New York, New York.

The undersigned certifies that Continental Assurance Company has issued group policies of credit life insurance and credit accident and health insurance to W. T. Grant Company. The provisions of the policy relative to termination of insurance on individuals insured are the same as the termination provisions set forth in certificates of insurance delivered to customers of W. T. Grant Company insured under the policies.

Termination of insurance occurs when the indebtedness is refinanced or renewed. It is my understanding that when a customer of W. T. Grant Company negotiates an "add-on" transaction this is not considered in the nature of a refinancing or renewal which would require termination of the insurance.

The statements set forth above are true to the best of my knowledge and belief.

Richard S. Nash
Richard S. Nash, Assistant Vice President

Thomazine Louis
Notary Public

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**DEFENDANT'S STATEMENT IN COMPLIANCE
WITH LOCAL RULE 10(a)(3)**

IN THE
UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

[SAME TITLE]

In compliance with Local Rule 10(a)(3), the defendant claims that the following facts involve genuine triable issues:

A. Truth-in-Lending

1. If Grants has violated the Act, were said violations unintentional and the result of a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error;

2. That the use of the term "amount financed" impart in a meaningful way the information required to be disclosed by the Act;

3. Does the use of the term "net finance charge" disclose required information in a clear, conspicuous and meaningful manner;

4. When an "add-on" occurs, is the original indebtedness discharged or terminated; and

5. Is "itemization under the finance charge" required under the Act.

B. Usury

1. Does the obtaining of coupons pursuant to a retail installment sales contract constitute a sale or a loan;

Defendant's Motion in Compliance with Local Rule 10(a)(3)

2. If it constitutes a sale, is it a bona fide sale;
3. Are coupons money; and
4. Did Grants have the specific unlawful intent necessary to violate the usury law.

DEFENDANT

WILLIAM J. EGAN
William J. Egan
of Wiggin & Dana
205 Church Street
New Haven, Connecticut
Its Attorneys

Dated: New Haven, Connecticut
May 4, 1973

(Verified by William J. Egan)

**NOTICE OF MOTION AND MOTION TO DISMISS
COUNTS I AND II OF COMPLAINT**

IN THE
UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

[SAME TITLE]

To: David M. Lesser, Esq.
William H. Clendenen, Jr., Esq.
152 Temple Street, # #310-311
New Haven, Connecticut

Frank Cochran, Esq.
795 Grand Avenue
New Haven, Connecticut

Stuart Bear, Esq.
265 Church Street #808
New Haven, Connecticut

Attorneys for the Plaintiffs

PLEASE TAKE NOTICE that the undersigned will move the United States District Court for the District of Connecticut at the United States Courthouse in New Haven on the 21st day of May, 1973, at 10:00 in the forenoon on that day or as soon thereafter as counsel can be heard for an order pursuant to Rule 12(b) of the Federal Rules of Civil Procedure dismissing Counts I and II of this action on the ground that the Court lacks jurisdiction over the subject matter of said Counts which fail to state a claim upon which relief

*Defendant's Motion to Dismiss Counts I and II
of the Complaint*

can be granted since they are founded upon alleged violations of the Connecticut General Statutes.

Dated at New Haven, Connecticut this 4th day of May, 1973.

THE DEFENDANT

By WILLIAM J. EGAN

----- --
William J. Egan
A Member of the Firm of
Wiggin & Dana
205 Church Street
New Haven, Connecticut

(Verified by William J. Egan)

STIPULATIONS OF FACT AND LAW
IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT
[SAME TITLE]

Plaintiffs and defendant hereby stipulate and agree to the following statements of fact and law, for the purposes of plaintiff's motion for partial summary judgment only, in the above-named case:

1. Plaintiff Mildred Ives is a natural person and is a resident of the city of New Haven, Connecticut.
2. Plaintiff Moira Robertson is a natural person and is a resident of the city of West Haven, Connecticut.
3. Plaintiff Joyce Chapman is a natural person and is a resident of the Town of Seymour, Connecticut.
4. Defendant W. T. Grant Company is a Delaware corporation, with a principal place of business at 1515 Broadway, New York City, registered to do business in Connecticut.
5. At all times on and after July 1, 1969, the defendant W. T. Grant Company, in the ordinary course of its business has regularly extended, offered to extend, arranged or offered to arrange, the extension of credit to its customers for which a finance charge is or may be imposed.
6. The defendant W. T. Grant Company is a creditor within the meaning of Section 36-393 (e) of the Connecticut General Statutes and Title 15 U.S.C. Section 1602 (f).

Stipulations of Fact and Law

7. The defendant W. T. Grant Company uses three time-payment plans: (1) revolving charge account; (2) budget account; (3) "big ticket" account.

8. The budget account plan involves the dissemination of coupon books pursuant to retail installment sales contracts.

9. A customer can obtain coupon books having total values of \$10.00, \$25.00, \$50.00, \$100.00 or \$200.00.

10. When coupon books are obtained, the customer signs a retail installment sales contract.

11. In return for the issuance of the coupons, the customer, by executing the contract, promises to pay a total sum consisting of (1) the total dollar amount of the coupons; (2) credit insurance charges, if any; (3) finance charges computed on the amount of the coupons and any insurance charges.

12. The total sum set forth in STIPULATION 11 is payable in monthly installments.

13. In those "new and reopened" contracts that were executed prior to January 1, 1971, the finance charge commenced on the day the coupons were obtained, and the first monthly installment was due thirty days thereafter, regardless of whether any coupons had been used at that time.

14. In those "new and reopened" contracts that were executed after January 1, 1971, the first monthly payment is not due until thirty days after the first exchange of coupons for goods and merchandise is made, and the

Stipulations of Fact and Law

finance charge does not commence until the date of the first exchange.

15. Customers who have not yet paid the "total sum" of their contracts as set forth in STIPULATION 11 may receive additional coupons by executing an "add-on" retail installment sales contract if eligible under Grant's credit policies.

16. In the "add-on" contract there is a rebate of the finance charge attributable to the outstanding unpaid balance financed under the previous contract. Prior to July 1, 1969, there was no rebate given. A finance charge was newly assessed on the new item purchased and the two balances were consolidated with a new payment schedule disclosed. Since that time, it has been computed according to the sum of the digits method.

17. In the "add-on" contract, the finance charge covers only the remaining balance unpaid on the previous contract after rebate of unearned finance charges plus the sum of the new coupons issued, plus credit insurance charges, if any, on the sum of the new coupons.

18. In those "add-on" contracts executed at any time after February 18, 1965, the finance charges, computed as set forth in STIPULATIONS 17 and 18, commence on the day the contract is executed and the first payment is due thirty days from the date of execution.

19. The monthly installment payment set forth in each coupon book contract is generally set at a figure that will retire the "total of payments" due in twenty-four to thirty months.

Stipulations of Fact and Law

20. Coupons obtained pursuant to the budget plan need not be exchanged for merchandise on the same day the coupons are received from the defendant but may be so exchanged at any time.

21. A customer may return unused coupons to the store credit office and receive a refund of the face amount of the coupons, plus complete finance and insurance charges, if any, on the unused coupons.

22. Said coupons are not "goods" within the meaning of Section 42-83 of the Connecticut General Statutes.

23. On August 30, 1971, plaintiff Mildred Ives entered into a retail installment sales contract for coupons with defendant W. T. Grant Company containing a finance charge of \$154.29 and a disclosed annual percentage rate of 19.88%.

24. All retail installment sales contracts entered into between plaintiff Mildred Ives and defendant W. T. Grant Company, after February 18, 1965, contained an annual percentage rate in excess of twelve percent per year.

25. All retail installment sales contracts entered into between plaintiff Mildred Ives and defendant W. T. Grant Company were standard form contracts also entered into by other W. T. Grant Company customers on or about the same time as those signed by plaintiff Mildred Ives.

26. In all of the retail installment sales contracts entered into by plaintiff Mildred Ives after July 1, 1969, the charges made for credit life, accident and sickness and property insurance, if any, were not included by defendant W. T. Grant Company in either the finance charge or annual percentage rate.

Stipulations of Fact and Law

27. The defendant W. T. Grant Company computed the finance charge and the annual percentage rate on plaintiff Mildred Ives' contract of August 31, 1971, on the amount financed as of that date.

28. In all of the retail installment sales contracts entered into between plaintiff Mildred Ives and defendant W. T. Grant Company, after July 1, 1969, defendant did not rebate any unearned charges for credit insurance.

29. There were unearned insurance premiums in excess of one dollar on the unpaid balance outstanding in plaintiff Mildred Ives' account on August 31, 1971, before she entered into the add-on contract on August 31, 1971.

30. If plaintiff Mildred Ives had prepaid the outstanding balance of her account on August 31, 1971, she would have been entitled to a rebate of unearned insurance charges in excess of one dollar.

31. The defendant W. T. Grant Company did not compute the finance charge and annual percentage rate on plaintiff Mildred Ives' contract of August 31, 1971 based on the period of time over which plaintiff actually used her coupons acquired on August 31, 1971.

32. The defendant W. T. Grant Company would have computed the finance charge and annual percentage rate disclosed on plaintiff Mildred Ives' contract of August 31, 1971, in exactly the same amounts even if she had not, as of the date of the filing of the complaint in this action, used a single coupon which she received on August 31, 1971.

33. The defendant W. T. Grant Company would have demanded payments in accordance with the terms of the coupon book contract of August 31, 1971, even if plaintiff

Stipulations of Fact and Law

Mildred Ives had not, as of the date of the filing of the complaint in this action, used a single coupon which she received on August 31, 1971.

34. The finance charge on plaintiff Mildred Ives' contract of August 31, 1971, does not include any charges for credit life, accident and sickness, or property insurance.

35. Plaintiff Mildred Ives' contract of August 31, 1971, contains no charges for any Connecticut sales tax.

36. On November 26, 1971, plaintiff Moira Robertson entered into a retail installment sales contract for coupons with defendant W. T. Grant Company containing a finance charge of \$177.56 and a disclosed annual percentage rate of 19.90%.

37. All retail installment sales contracts entered into between plaintiff Moira Robertson and defendant W. T. Grant Company, on or after February 18, 1965, contained an annual percentage rate in excess of twelve percent per year.

38. All retail installment sales contracts entered into between plaintiff Moira Robertson and defendant W. T. Grant Company were standard form contracts also entered into by other W. T. Grant Company customers on or about the same time as those signed by plaintiff.

39. In all of the retail installment sales contracts entered into by plaintiff Moira Robertson after July 1, 1969, the charges made for credit life, accident and sickness and property insurance, if any, were not included by defendant W. T. Grant Company in either finance charge or annual percentage rate.

Stipulations of Fact and Law

40. In all of the add-on retail installment sales contracts entered into between plaintiff Moira Robertson and defendant W. T. Grant Company, after July 1, 1969, defendant did not rebate any unearned charges for credit insurance.

41. There were unearned insurance premiums in excess of one dollar on the unpaid balance of Moira Robertson's account with defendant on November 26, 1971, before she entered into the add-on contract of November 26, 1971.

42. If plaintiff Moira Robertson had prepaid the outstanding balance of her account on November 26, 1971, she would have been entitled to a rebate of unearned insurance charges in excess of one dollar.

43. The defendant W. T. Grant Company computed the finance charge and the annual percentage rate on plaintiff Moira Robertson's contract of November 26, 1971, on the amount financed as of that date.

44. The defendant W. T. Grant Company computed the finance charge and annual percentage rate on plaintiff Moira Robertson's contract of November 26, 1971, on the amount financed therein based on the assumption that the deferred payment price would be repaid in equal installments (with the exception of the last installment) over a period of two years.

45. The defendant W. T. Grant Company did not compute the finance charge and annual percentage rate on plaintiff Moira Robertson's contract of November 26, 1971, based on the period of time over which plaintiff actually used the coupons acquired on November 26, 1971.

46. The defendant W. T. Grant Company would have computed the finance charge and annual percentage rate

Stipulations of Fact and Law

disclosed on plaintiff Moira Robertson's contract in exactly the same amounts even if she had not, as of the date of the filing of the complaint in this action, used a single coupon which she received on November 26, 1971.

47. The defendant W. T. Grant Company would have demanded monthly payments in accordance with the terms of the coupon book contract of November 26, 1971, even if plaintiff Moira Robertson had not, as of the date of the filing of the complaint in this action, used a single coupon which she received on November 26, 1971.

48. The finance charge on plaintiff Moira Robertson's contract of November 26, 1971, does not include any charges for credit life, accident, and sickness or property insurance.

49. Plaintiff Moira Robertson's contract of November 26, 1971, contains no charges for any Connecticut sales tax.

50. Plaintiff Joyce Chapman, on October 16, 1971, entered into a retail installment sales contract for coupons with defendant W. T. Grant Company containing a finance charge of \$55.14 and a disclosed annual percentage rate of 19.90%.

51. The defendant W. T. Grant Company computed the finance charge and annual percentage rate on the amount financed in plaintiff Joyce Chapman's contract.

52. Plaintiff Joyce Chapman was under no obligation to pay for the coupons until she used at least one coupon in one of defendant's stores.

Stipulations of Fact and Law

53. The defendant W. T. Grant Company, in plaintiff Joyce Chapman's contract dated October 16, 1971, computed the finance charge and annual percentage rate on the amount financed based on the assumption that the deferred payment price would be repaid in equal installments (with the exception of the last installment) over a period of twenty-eight months from the date she first used a coupon in one of defendant's stores.

54. The defendant W. T. Grant Company did not compute the finance charge and annual percentage rate based on the period of time over which plaintiff Joyce Chapman actually used the coupons she received on October 16, 1971 (with the exception of the use of the first coupon).

55. Prior to January 1, 1971, the defendant W. T. Grant Company would have computed the finance charge and annual percentage rate disclosed on new and reopened contracts in exactly the same amounts even if the customer never used a single coupon.

56. The defendant W. T. Grant Company would have demanded monthly payments from plaintiff Joyce Chapman in accordance with the terms of the contract of October 16, 1971, even if she had only used a single coupon.

57. The finance charge on plaintiff Joyce Chapman's contract does not include any charges for credit life, accident and sickness or property insurance.

58. Plaintiff Joyce Chapman's contract of October 16, 1971, contains no charges for any Connecticut sales tax.

59. The defendant W. T. Grant Company does not know over what period of time plaintiffs have used their coupons.

Stipulations of Fact and Law

60. The defendant W. T. Grant Company did not at any time after February 18, 1965, keep records of when coupons were spent by coupon book customers (with the exception, after January 1, 1971, of the first coupon referred to in STIPULATION 52).

61. The defendant charges Connecticut sales tax to coupon book customers at the time they exchange their coupons for merchandise.

62. The defendant W. T. Grant Company on all add-on retail installment sales contracts entered into on or after February 18, 1965, computed finance charges and annual percentage rates therein on the amount financed as of the dates contracts were signed, and on the assumption that the deferred payment price would be repaid in substantially equal installments.

63. The defendant W. T. Grant Company on all "new and reopened" retail installment sales contracts entered into at any time between February 16, 1965, and December 31, 1970, inclusive, computed finance charges and annual percentage rates therein on the amount financed as of the dates the contracts were signed, and on the assumption that the deferred payment price would be repaid in substantially equal installments.

64. The defendant W. T. Grant Company on all "new and reopened" coupon book contracts entered into on or after January 1, 1971, computed finance charges and annual percentage rates therein on the amount financed, and on the assumption that the deferred payment price would be repaid in substantially equal installments.

65. The obligation of the coupon book customer, on all "new and reopened" retail installment sales contracts for

Stipulations of Fact and Law

the sale of coupons entered into on or after January 1, 1971, became effective only after the first of the coupons received for entering into the contract was used in one of defendant's stores.

66. Prior to January 1, 1971, monthly payments from coupon book customers were due in accordance with the contract terms even if no coupons had been used.

67. On or after February 18, 1965, the defendant has used a series of separate form contracts for (1) new and reopened accounts and (2) add-on accounts.

68. Said new and reopened contracts can be identified by the letters, numbers and date, appearing in the lower left-hand corner of each contract [for example, SC-14 CONN. (63636) TL-3 7/70].

69. Said add-on contracts can be identified by the letters, numbers and date appearing in the lower left-hand corner of each contract, and by the words on the face of the contract, "prior balance due" [for example, SC-14 CONN. (WTG 65078) 3/1/68].

70. Said add-on contracts, dated 12/68 or thereafter, can also be identified by the words "add-on" which appear in the lower left-hand corner [for example, SC-14 CONN. (WTG 65078) TL-3 ADD-ON 7/10].

71. Plaintiffs Mildred Ives and Moira Robertson signed the defendant's standard form contract denominated SC-14 CONN. (WTG 65078) TL-3 ADD-ON 1/71.

72. Plaintiff Joyce Chapman signed the defendant's standard form contract denominated SC-14 CONN. (WTG 63636) TL-3 1/71.

Stipulations of Fact and Law

73. On add-on contracts the defendant offers voluntary insurance coverage for the "cash price (new sales)" only.

74. Any insurance premiums charged on the add-on contracts are determined by the amount of "cash price (new sales)".

75. On add-on contracts the defendant does not rebate insurance charges on their remaining balance due after rebate of finance charge.

76. The retail installment sales contract for coupons is not open end credit as defined in 12 C.F.R. § 226.2(r).

77. On add-on contracts the "net" finance charge (line 8a less line 8b) is a charge for financing the "amount financed" (line 7) over the term of the contract. The "amount financed" includes:

1. the prior balance due after rebate of FINANCE CHARGE (line B);
2. unpaid balance of cash price (line 3);
3. insurance premiums if any (lines 4, 6a and 6b).

78. Since prior to July 1, 1969 the defendant has offered credit life and credit accident and health insurance to coupon book customers.

79. The defendant W. T. Grant Company in "new and reopened" coupon book contracts calculates the cost of credit life insurance in a single sum which is the cost of said insurance through the scheduled maturity date of the contract.

80. The defendant W. T. Grant Company in "new and reopened" coupon book contracts calculates the cost of

Stipulations of Fact and Law

credit accident and sickness insurance in a single sum which is the cost of said insurance through the scheduled maturity date of the contract.

81. The Central National Insurance Company of Omaha has provided credit property insurance to defendant's coupon book customers since September, 1970.

82. In every retail installment sales contract for coupons the only item included in the description "goods or services" is coupon books.

83. The W. T. Grant Company is not licensed by the state banking department pursuant to Section 36-225 *et seq.* of the Connecticut General Statutes.

84. The W. T. Grant Company during the period between February 18, 1965, and December 31, 1972, had approximately twenty-five "member stores" in the state of Connecticut.

85. At the present time, there are approximately 27,000 retail installment sales contracts for coupons outstanding in the state of Connecticut.

86. The charges for credit life, accident and sickness, and property insurance in each add-on contract entered into by plaintiff Mildred Ives after July 1, 1969, are based on the amount of the "cash price (new sales)".

87. The charges for credit life, accident and sickness, and property insurance in each add-on contract entered into by plaintiff Moira Robertson after July 1, 1969, are based on the amount of the "cash price (new sales)", and

Stipulations of Fact and Law

said insurance provides coverage only for the amount of the "cash price (new sales)".

THE PLAINTIFFS

WILLIAM H. CLENDENEN, JR.

By

William H. Clendenen, Jr.

David M. Lesser

152 Temple Street

New Haven, Connecticut

Stuart Bear

265 Church Street #808

New Haven, Connecticut

Frank Cochran

184 Dixwell Avenue

New Haven, Connecticut

THE DEFENDANT

WILLIAM J. EGAN

By

William J. Egan

205 Church Street

New Haven, Connecticut

SUBSTITUTE COMPLAINT

IN THE
UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

[SAME TITLE]

1. This is an action for declaratory relief pursuant to Title 28 U.S.C. § 2201, injunctive relief, and damages, for violation of the rights of the Plaintiffs under the Fourteenth Amendment to the United States Constitution; and for violations of Title 15 U.S.C. § 45 (the Federal Trade Commission Act); Title 39 U.S.C. § 3005 (the Postal Service Act); Sections 36-225 *et seq.*, 36-393 *et seq.*, (the Connecticut Truth-in-Lending Act), 37-4, 38-249, *et seq.*, 42-84, 42-86, 42-115a, 42-115d, 42a-1-203, and 42a-2-302, of the Connecticut General Statutes.

2. Jurisdiction is conferred on this Court by Title 15 U.S.C. 1640(e) and Regulation Z thereunder, Sec. 226.12(c); and Title 28 U.S.C., 1331, 1332, 1337, 1339 and 1340.

3. Plaintiffs are citizens of the United States and the State of Connecticut, and residents of the City of New Haven.

(a) Plaintiff Mildred Ives is a citizen of the United States and the State of Connecticut, and a resident of the city of New Haven. On August 30, 1971, she entered into a coupon credit instalment contract with the Defendant at an annual percentage rate of 19.88%. Said contract contained charges for credit life, credit accident and sickness insurance, and credit property insurance. Said contract is hereby incorporated by reference as Exhibit A.

(b) Plaintiff Moria Robertson is a resident of the city of New Haven. On November 26, 1971, she

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entered into a coupon credit instalment contract with the Defendant at an annual percentage rate of 19.90% per year. Said contract contained charges for credit life insurance, credit accident and sickness insurance, and credit property insurance. Said contract is hereby incorporated by reference as Exhibit B.

(c) Plaintiff Joyce Chapman is a citizen of the United States and the State of Connecticut, and a resident of the town of Seymour. On October 16, 1971, she entered into an add-on coupon credit instalment contract with the Defendant at an annual percentage rate of 19.90%. Said contract contained a charge for credit life insurance, credit accident and sickness insurance, and credit property insurance. Said contract is hereby incorporated by reference as Exhibit C.

4. Defendant W. T. Grant Company is a Delaware corporation, with a principal place of business in New York, authorized to do business in Connecticut.

5. Plaintiffs bring this action pursuant to Rule 23 of the Federal Rules of Civil Procedure, on behalf of themselves and all others similarly situated. Those similarly situated are all persons who have signed W. T. Grant retail instalment contracts for the sale of coupons, on which the actual annual percentage rate of interest is greater than twelve percent, in the state of Connecticut (excluding those parties for or against whom the common questions of usury, fraud, unconscionability, deceptive acts or practices, unlawful loans, unenforceable security interests, mail fraud, violation of the Federal Trade Commission Act and violation of the Connecticut Truth-in-Lending Act have been adjudicated in

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any other competent court prior to the date of the filing of this complaint).

The persons in the class are so numerous as to make joinder impracticable; there are common questions of law and fact; plaintiffs' claims are typical of the claims of the class; and the representative plaintiffs will fairly and adequately protect the interests of the class. The party opposing the class has acted or refused to act on grounds generally applicable to the class.

COUNT I

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as Paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The coupon credit instalment contracts into which the Defendant induced Plaintiffs to enter did not contain the disclosures required by Section 36-395 of the Connecticut General Statutes and the regulations thereunder in the following respects:

- a. Sec. 36-395-3(a)(5)—The finance charge does not include the sum charged for credit life or accident and sickness insurance as required, because defendant does not disclose clearly and conspicuously that insurance coverage is not required for credit.
- b. Sec. 36-395-3(a)(6)—The defendant does not disclose clearly and conspicuously that the customer may choose the person through which property insurance is to be obtained.
- c. Sec. 36-395-4(b)—The document does not accurately disclose the annual percentage rate.
- d. Sec. 36-395-5(a)—The required disclosures are not given clearly, conspicuously, or in meaningful sequence.

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- e. Sec. 36-395-5(b)—The document contains additional materials which are misleading and confusing, and which detract attention from the information required to be disclosed.
- f. Sec. 36-395-7(a)—The defendant does not make required disclosures before the transaction is consummated.
- g. Sec. 36-395-7(a)(1)—The required disclosures are not made above or adjacent to the place for the customer's signature.
- h. Sec. 36-395-7(b)(5)—The contract does not clearly identify or describe the merchandise in which a security interest is claimed, or the type of security interest that is claimed.
- i. Sec. 36-395-7(c)(5)—The document does not contain the sum of the amounts determined under Sec. 36-395-7(c)(3) and (4) as the "unpaid balance."
- j. Sec. 36-395-7(c)(8)(i)—The total amount of the finance charge is not accurately disclosed.
- k. Sec. 36-395-1(c)(8)(ii)—The document does not contain the sum of the amounts determined under subparagraphs (1), (4) and (8)(i) of Sec. 36-395-7(c) as the "deferred payment price".
- l. Sec. 36-395-7(c)(5) and 36-395-7(a)(8)(A)—Defendants' form add-on contracts do not clearly conspicuously and meaningfully disclose the finance charge.
- m. Sec. 36-395-7(a)(8)(A) 36-395-3(a)—Defendants' form add-on contracts do not disclose that the non-related insurance premium constitutes an additional "finance charge".

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- n. Sec. 36-395-7(a)(8)(A)—Defendants' form contracts do not describe each amount included in the "finance charge".

COUNT II

1. The plaintiffs hereby incorporate by reference paragraphs 1 through 6 of Count I as paragraphs 1 through 6 of this Count the same as if fully pleaded herein.

7. The coupon credit instalment contract into which the Defendant induced Plaintiff Mildred Ives to enter also did not contain the disclosures required by Section 36-395 of the Connecticut General Statutes and the regulations thereunder in the following respect:

Sec. 36-395-7(b)(3)—The document does not accurately disclose the number of the required instalment payments so as to equal the total of payments disclosed.

COUNT III

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 6 of Count I as paragraphs 1 through 6 of this Count the same as if fully pleaded herein.

7. The coupon credit instalment contracts into which the Defendant induced Plaintiffs to enter did not contain the disclosures required by Section 42-87 of the Connecticut General Statutes in that it fails to describe the security interest held or retained and fails to provide a clear identification of the property to which the security interest relates.

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COUNT IV

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

5. This Count seeks injunctive and declaratory relief restraining the enforcement of, and declaring unconstitutional, §42-91 of the Connecticut General Statutes under the due process and equal protection clauses of the Fourteenth Amendment to the United States Constitution.

7. Pursuant to the authority of §42-91, the Defendant includes in every coupon credit instalment contract a clause stating:

“that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) percent of the amount due and payable, plus court costs.”

8. The Plaintiffs and the members of the class receive no benefit from the above described clause.

9. Said clause is part of every printed form coupon credit contract and is not the subject of negotiation and agreement by the Plaintiffs and the class that they represent. The coupon credit instalment contracts are contracts of adhesion and arrived at as the result of wholly unequal bargaining power.

10. But for the authority of §42-91, Defendant could not include said clause in its coupon credit instalment con-

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tracts; nor could Defendant enforce said clause in the absence of said statute or of the power of the State of Connecticut.

11. The Plaintiffs and the members of the class have not relinquished or waived their constitutional right to due process and the equal protection of the laws.

12. Said clause unduly and unequally burdens the right of Plaintiffs and the members of the class to gain access to courts of law to defend their interests and for the redress of just grievances, in violation of the Fourteenth Amendment to the United States Constitution.

COUNT V

1. Paragraph 1 through 5 of the Complaint are hereby incorporated by reference as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The Defendant offers to the public a credit plan commonly known as the coupon credit instalment plan.

7. All of the Plaintiffs and members of the class have signed coupon credit instalment contracts for the purchase of books of coupons which can be spent for merchandise only in W. T. Grant Co. and "member stores".

8. The Defendant's coupon books are credit cards as defined by 15 U.S.C. §1602(k).

9. Said coupon credit instalment contracts between Defendant and Plaintiffs and members of the class are for sums greater than \$50.00.

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10. Said coupon credit instalment contracts contain a provision that in the event coupons are lost, damaged or destroyed, the customer is fully responsible therefor.

11. The amount of said loss may exceed \$50.00.

12. Defendant has not informed Plaintiffs or members of the class of their maximum statutory liability, or provided the cardholder with a self-addressed prestamped notification to be mailed by the cardholder in the event of the loss or theft of the credit card.

13. Defendant has not provided a method whereby the user of such card can be identified as the person authorized to use it.

14. In the event of the loss, the Defendant will impose a loss on Plaintiffs and members of the class in excess of \$50.00.

15. Said contract provisions and company practices on the part of the Defendant violate 15 U.S.C. § 1643(a).

COUNT VI

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The Defendant has engaged in unfair, deceptive and unconscionable acts and practices in violation of Sections 38-249 *et seq.*, 42-86, 42-115a, 42-115d, 42a-1-203 and 42-2-302 of the Connecticut General Statutes, thereby injuring the Plaintiffs and the class they represent. The following unfair, deceptive and unconscionable acts and practices are a representative sample thereof:

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(a) The Defendant, through its agents and through printed materials, represented to Plaintiffs and members of the class that its coupon credit instalment plan was no different from a typical charge account plan;

(b) The Defendant, through its agents and through printed materials, represented to Plaintiffs and members of the class that instalment payments would not be due pursuant to the terms of the coupon credit instalment contract until purchases were made with said coupons and failed to explain that the rate at which coupons were spent did not affect the payment schedule;

(c) The Defendant did not reveal to Plaintiffs and members of the class that they were entering into a contractual relationship which obligated them to pay interest on the entire contractual balance before all coupons may have been spent by them in Defendant's stores or to pay interest and principal at a rate different than the rate at which they spent said coupons;

(d) The Defendant, through its agents and through printed materials represented to Plaintiffs and members of the class that all coupon credit instalment accounts have lower monthly payments than on charge accounts;

(e) The Defendant, through its agents and through printed materials, represented that the rate of interest on the coupon credit instalment contract would be less than that of alternative store credit plans;

(f) The Defendant, through its agents and through printed materials, represented to Plaintiffs

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and members of the class that its coupon credit instalment plan is "America's fastest revolving credit-way to buy," whereas the coupon credit instalment plan is not a revolving charge account and even if it were so to be considered, is more cumbersome and time-consuming in operation than credit-card revolving charges;

(g) The Defendant, through its agents, represented to Plaintiffs and members of the class that it was necessary to enter into a coupon credit instalment contract before consideration could be given to allowing the customer to obtain a revolving credit card from the Defendant, and represented that if the coupon credit instalment account was paid off as scheduled, a credit card would then be issued to the customer;

(h) The Defendant, through its agents and through printed materials, represented to Plaintiffs and members of the class that interest was not charged on their accounts until purchases were made with said coupons;

(i) The Defendant, through its agents and through printed materials, represented that coupons could be used to purchase any item for sale in any W. T. Grant or "member store," when it was Defendant's practice not to allow coupons to be used for the purchase of major appliances and certain sale items;

(j) The Defendant, through printed materials, represented that coupons could be redeemed in "member stores," but did not disclose that there are less than twenty-five "member stores" in Connecticut, located only in the cities of Danbury and Winsted,

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thereby making them inaccessible to most Connecticut coupon credit customers;

(k) The Defendant, through its agents, did not meaningfully disclose at the time Plaintiffs and members of their class signed coupon credit instalment contracts that accident and health insurance, life insurance and property insurance were included in the price of the contract and were a separate and additional charge in said contract;

(l) The Defendant, through its agents, represented that it was company policy to require the purchase of credit life insurance even if the customer had a life insurance policy currently in effect;

(m) The Defendant sold credit life insurance to Plaintiffs and members of the class without informing them that the Defendant would be the sole beneficiary of said purchase;

(n) The property insurance sold by Defendant was of little or no value to the Plaintiffs and the class they represented;

(o) The Defendant failed to send certificates of insurance, or otherwise inform Plaintiffs and members of the class, of the terms, conditions and extent of coverage thereby rendering said credit life, accident and sickness insurance coverage valueless to the Plaintiffs and members of the class;

(p) The Defendant has imposed conditions on said insurance coverage beyond the written terms of said coverage and failed to reveal said conditions to Plaintiffs and members of the class;

(q) Defendant did not clearly and conspicuously disclose that the Plaintiffs and members of the class

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were responsible for any lost, stolen or destroyed coupons;

(r) The Defendant, through advertisements and printed materials has misrepresented the nature of and availability of its coupon credit instalment and revolving charge plans;

(s) The Defendant, through advertisements and printed materials, has misrepresented the characteristics and benefits of its coupon credit instalment plan and thereby confused said plan with revolving charge plans to the detriment of plaintiffs and the class they represent.

7. The following clauses of the coupon credit contracts are unfair and deceptive:

That the consumer agrees:

(a) "(A) to assume responsibility for the loss, damage or destruction of the merchandise";

(b) "(B) not to sell, remove from the county or State or encumber the merchandise without the seller's prior written consent";

(c) "that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) percent of the amount due and payable, plus court costs";

(d) "(H) buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract";

Plaintiffs' Substitute Complaint

(e) "that upon default in any payment hereunder, the entire unpaid total of payments shall at seller's election become due and payable."

8. The Defendant has misrepresented material facts to the Plaintiffs and members of the class in order to induce them to enter into said coupon credit instalment contracts.

9. Said representation or representations or lack thereof were false and deceptive and were known by Defendant to be false and deceptive and were made with the intent and for the purpose of inducing Plaintiffs and the members of the class to enter into said coupon credit instalment contracts.

10. The Defendant had a duty to disclose the truth as to the aforesaid representations and had the opportunity to do so to Plaintiffs and the members of the class.

11. The Plaintiffs and the class they represent relied upon the truth of said representations when entering into said coupon credit instalment contracts.

12. The Defendant had reason to know that Plaintiffs and the members of the class would rely on said representations and would suffer injury in so relying.

13. Said unfair, deceptive and unconscionable acts and practices induced the Plaintiffs and the members of the class to enter into coupon credit contracts, and but for such deceptive acts and practices, Plaintiffs and the members of the class would not have entered into said contracts.

Plaintiffs' Substitute Complaint

COUNT VII

1. The Plaintiffs hereby incorporate by reference paragraphs 1 through 13 of Count VI as paragraphs 1 through 13 of this Count the same as if fully pleaded herein.

14. The Defendant is engaged in interstate commerce and utilizes the services of the United States Post Office in furtherance of its business.

15. The Defendant has engaged in unfair and deceptive acts and practices in violation of Title 15 U.S.C. §45, thereby injuring the Plaintiffs and the class they represent.

COUNT VIII

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 14 of Count VII as paragraphs 1 through 14 of this Count the same as if fully pleaded herein.

15. The Defendant uses the mails to solicit the Plaintiffs and the members of the class to enter into coupon credit instalment contracts and to spend coupons.

16. The Defendant uses the mails as a means of collecting money from the Plaintiffs and members of the class.

17. The Defendant is engaged in a scheme or device for obtaining money through the mails by means of false representations, in violation of Title 39 U.S.C. §3005.

COUNT IX

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

Plaintiffs' Substitute Complaint

6. The coupons which were received by Plaintiffs Mildred Ives and Moira Robertson and the members of the class did not have to be spent on the same day on which they were purchased. Interest, however, was and is computed and charged not from the time purchases with the coupons were and are made, but from the time the contracts were and are signed. As a result, interest was and is collected by the W. T. Grant Co. before all coupons were or are redeemed by it.

7. None of Plaintiffs used all her coupons the day her coupon credit instalment contract was signed.

8. Said contracts are a device or disguise used by Defendant to evade the usury laws of the state of Connecticut, and in reality the arrangement between Plaintiffs and Defendant is that of a loan or forbearance.

9. The Defendant has demanded and received interest at rates prohibited by Section 37-4 of the Connecticut General Statutes.

10. The Defendant is prohibited by Section 37-8 of the Connecticut General Statutes, from taking action to recover principal, interest, or any part thereof, from the Plaintiffs and the members of the class.

COUNT X

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. The coupons which were received by Plaintiff Joyce Chapman and the members of her class did not have to be spent on the same day on which they were purchased.

Plaintiffs' Substitute Complaint

Interest was and is computed at the time the contracts were and are signed. Interest was and is not charged until one of the coupons is actually used by Plaintiff and the members of her class. Interest is then charged on the entire amount financed. The amount of interest is not rebated to the rate at which coupons were or are used by Plaintiff and the members of her class.

7. The Plaintiff did not use all her coupons the day she used the first coupon.

8. Said contracts are a device or disguise used by Defendant to evade the usury laws of the state of Connecticut, and in reality the arrangement between Plaintiffs and Defendant is that of a loan or forbearance.

9. The Defendant has demanded and received interest at rates prohibited by section 37-4 of the Connecticut General Statutes.

10. The Defendant is prohibited by section 37-8 of the Connecticut General Statutes, from taking action to recover principal, interest, or any part thereof, from the Plaintiffs and the members of the class.

COUNT XI

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of Count I as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

6. Defendant's policy is to sell credit life insurance, credit accident and sickness insurance, and credit property insurance to Plaintiffs and the members of the class whether or not they desire such coverage. In furtherance of said company policy, Defendant, through its agents, has

Plaintiffs' Substitute Complaint

engaged in deceptive acts and practices. The following acts and practices are a representative sample thereof:

(a) The Defendant, through its agents, did not disclose at the time Plaintiffs and members of their class signed coupon contracts that accident and health insurance, life insurance and property insurance were included in the price of the contract and were a separate and additional charge in said contract;

(b) The Defendant, through its agents, represented that company policy required the purchase of credit life insurance even if the customer had a life insurance policy currently in effect;

(c) The Defendant sold credit life insurance to Plaintiffs and members of the class without informing them that the Defendant would be the sole beneficiary of said purchase;

(d) The Defendant failed to send certificates of insurance to Plaintiffs and members of the class as required by Sections 42-86 and 38-254 of the Connecticut General Statutes;

(e) The Defendant, through its agents, represented that credit insurance was a benefit which was included in the price of said coupon credit installment contracts, thereby inferring that it was included at no extra charge.

7. The property insurance sold by Defendant was of little or no value to the Plaintiffs and the class they represent.

8. The Defendant failed to send certificates of insurance in violation of Sections 42-86 and 38-254, Connecticut

Plaintiffs' Substitute Complaint

General Statutes, or otherwise inform Plaintiffs and members of the class of the terms and conditions of coverage, thereby rendering said credit life and credit accident and health insurance coverage valueless to the Plaintiffs and the members of the class.

9. The Defendant has imposed conditions of said insurance coverage beyond the written terms of said coverage and failed to reveal said conditions to Plaintiffs and members of the class.

10. The Defendant has adjusted claims of customers in violation of Section 38-258 of the Connecticut General Statutes.

11. The Defendant has refused to process claims according to the terms of its master policies with group insurers.

12. The Defendant has refused to process claims according to the requirements of Sections 38-249 *et seq.*, Connecticut General Statutes.

13. The Defendant's representations and conduct in the sale of credit insurance and handling of insurance claims has caused confusion and misunderstanding for the plaintiffs and the class they represent.

14. Said acts and practices are deceptive, misleading and unconscionable and violate §§ 38-249 *et seq.*, 42-86, 42a-1-203, 42a-2-302, 42-115a and 42-115d of the Connecticut General Statutes, and Title 15 U.S.C. § 45.

COUNT XII

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 5 of the Complaint as paragraphs 1 through 5 of this Count the same as if fully pleaded herein.

Plaintiffs' Substitute Complaint

6. The Defendant has lent money to Plaintiffs at an annual rate of interest in excess of 12% and in sums less than \$1,800.00.

7. Defendant regularly and in the normal course of its credit business makes said loans.

8. Defendant has failed to obtain a license from the Connecticut State Banking Department as required by § 36-225, *et seq.*, of the Connecticut General Statutes.

COUNT XIII

1. Plaintiffs hereby incorporate by reference paragraphs 1 through 8 of Count XII as paragraphs 1 through 8 of this Count the same as if fully pleaded herein.

9. Defendant claims a security interest in the goods identified to said coupon credit instalment contracts.

10. Said reservation of a security interest violates section 36-236 of the Connecticut General Statutes.

11. The unlawful, deceptive and unconscionable acts, practices, conduct, schemes and devices of the Defendant (Counts I, II, IV through XIII) have irreparably harmed the Plaintiffs and the members of the class, and unless the Defendant is restrained from continuing said unlawful, deceptive and unconscionable acts, practices, conduct, schemes and devices (Counts I, II, IV through XIII) the Plaintiffs and the members of the class will continue to suffer irreparable harm.

WHEREFORE:

Plaintiffs respectfully pray on behalf of themselves and the members of the class that this Court:

Plaintiffs' Substitute Complaint

1. Assume jurisdiction of this case;
2. Determine by order pursuant to Rule 23, Federal Rules of Civil Procedure, that Counts I, II and IV through XIII, of this action may be maintained as a class action;
3. Enter a final judgment pursuant to Title 28 U.S.C. § 2201 declaring: (a) that the Defendant has violated the Federal and State Truth-in-Lending Acts, 15 U.S.C. 1601 *et seq.*, and Regulations Z thereunder, and § 36-393 *et seq.*, Connecticut General Statutes, and regulations thereunder, and that plaintiffs be awarded the liquidated damages provided in Title 15 U.S.C. 1640 and Section 36-407, Connecticut General Statutes; (b) that the Defendant has engaged in acts and practices which violate Title 15 U.S.C. § 1643; (c) that Section 42-91 of the Connecticut General Statutes is invalid because it violates the Fourteenth Amendment to the United States Constitution; (d) that the Defendant has engaged in a fraudulent or deceptive scheme or device for obtaining money by use of the mails in violation of Title 39 U.S.C. § 3005; (e) that Defendant's coupon credit installment contracts are usurious in violation of § 37-4 of the Connecticut General Statutes, and therefore void; (f) that said coupon credit installment contracts are deceptive, unfair and unconscionable in violation of §§ 42a-1-2-203, 42a-2-302, 42-115a, and 42-115d of the Connecticut General Statutes and therefore void; (g) that Defendant's practices in the sale of credit insurance are deceptive, unfair and unconscionable in violation of §§ 42a-1-203, 42a-2-302, 42-115a and 42-115d, of the Connecticut General Statutes; (i) that the Defendant made small loans without a license in violation of §§ 36-225 *et seq.*, of the Connecticut General Statutes; (j) that the present conduct of the Defendant in extracting interest at rates greatly in excess of that allowed

Plaintiffs' Substitute Complaint

by the usury laws constitutes a public nuisance against all of the citizens of Connecticut.

4. Order Defendant to return all monies collected from the Plaintiffs and the members of the Class.

5. Order Defendant to return all insurance premiums charged to Plaintiffs and the members of the class;

6. Enter a permanent injunction, pursuant to Rule 65 of the Federal Rules of Civil Procedure, enjoining Defendant from making any further collections on any coupon credit instalment contracts entered into in the state of Connecticut;

7. Enter a permanent injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure, enjoining Defendant from entering into contracts which involve the use of coupons and from engaging in the acts and practices enumerated as unlawful in this Complaint, Counts I, II, and IV through XIII;

8. Order Defendant to serve a copy of the judgment in this case on the Plaintiff and the members of the class and upon any finance companies or others to which any coupon credit instalment contracts were assigned or pledged;

9. Award \$15,000 damages to each Plaintiff and to each member of the class;

10. Award to the Plaintiffs and the members of the class their costs and reasonable attorneys' fees;

Plaintiffs' Substitute Complaint

11. Pursuant to Rule 54(d) of the Federal Rules of Civil Procedure, grant Plaintiffs and the members of the class such additional relief as the Court deems just and proper.

THE PLAINTIFFS

FRANK COCHRAN

By:

Frank Cochran
413 Howard Avenue
New Haven, Connecticut
(203) 787-2153

William H. Clendenen, Jr.
152 Temple Street
New Haven, Connecticut
(203) 787-1183

Stuart Bear, Esq.
Zelles, Needle & Cooper
333 State Street
Bridgeport, Connecticut
(203) 333-9441

(Verified by Frank Cochran on May 10, 1973)

STIPULATION TO SUBMISSION OF DOCUMENTS

IN THE

UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

[SAME TITLE]

Plaintiffs and Defendant hereby stipulate and agree that the following documents, copies of which are attached hereto may be submitted for purposes of plaintiffs' motion for summary judgment only, in the above-named case:

1. Sample coupons and instructions contained on coupon books.
2. Life Insurance Certificate issued by Continental Assurance Company for use in connection with coupon accounts.
3. Accident and Sickness Insurance Certificate issued by Continental Assurance Company for use in connection with coupon accounts.
4. Property Insurance Certificate issued by Central National Insurance Company of Omaha for use in connection with coupon accounts.
5. Standard Form Contract SC-14 CONN. (WTG G3636) 3/1/68.
6. Standard Form Contract SC-14 CONN. (WTG G3636) TL-2 6/69.
7. Standard Form Contract SC-14 CONN. (WTG G3636) TL-2 11/69.
8. Standard Form Contract SC-14 CONN. (WTG G3636) TL-3 7/70.
9. Standard Form Contract SC-14 CONN. (WTG G5078) 3/1/66.
10. Standard Form Contract SC-14 CONN. (WTG G5078) 3/1/68.

Stipulation to Submission of Documents

11. Standard Form Contract SC-14 CONN. (WTG G5078) TL ADD-ON 12/68.
12. Standard Form Contract SC-14 CONN. (WTG G5078) TL-1 ADD-ON 6/69.
13. Standard Form Contract SC-14 CONN. (WTG G5078) TL-2 ADD-ON 11/69.
14. Standard Form Contract SC-14 CONN. (WTG G5078) TL-3 ADD-ON 7/70.
15. Standard Form Contract SC-14 CONN. (WTG G5078) TL-3 ADD-ON 1/71.
16. Credit Application Form SC-14B (WTG G3677) 12/64.
17. Standard Form Contract SC-14B (WTG G3677) 8/66.
18. Standard Form Contract SC-14 CONN. (WTG G3636) 11/66.
19. Standard Form Contract SC-14 CONN. (WTG G3636) 4/1/68.
20. Standard Form Contract SC-14 CONN. (WTG G3636) TL-3 1/71.
21. Standard Form Contract SC-14 CONN. SPEC. 9/65.
22. Contract of Joyce Chapman dated October 16, 1971.
23. Contracts executed by Mildred Ives on or after July 1, 1969.
24. Contracts executed by Moira Robertson on or after July 1, 1969.
25. Master Credit Life Insurance policy written by Continental Assurance Company, for coverage of coupon accounts.



Stipulation to Submission of Documents

26. Master Credit Accident and Sickness Insurance policy written by Continental Assurance Company, for coverage of coupon accounts.

27. Master Credit Property Insurance policy written by Central National Insurance Company for coverage of coupon accounts.

PLAINTIFFS

By FRANK COCHRAN

Frank Cochran
413 Howard Avenue
New Haven, Connecticut
(203) 787-2153

Stuart Bear
Zelder, Needle & Cooper
333 State Street
Bridgeport, Connecticut

William H. Clendenen, Jr.
152 Temple Street
New Haven, Connecticut
(203) 787-1183

DEFENDANT

By WILLIAM J. EGAN

William J. Egan
Wiggin & Dana
205 Church Street
New Haven, Connecticut
(203) 787-4261

I. How to use your GRANTS "CHANGE-IT" COUPONS

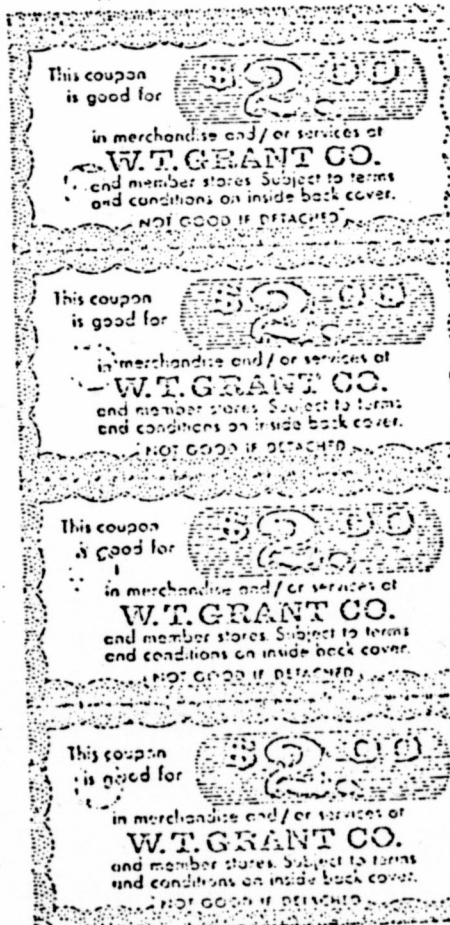
1. Use them like cash in any department of the W. T. Grant Co. or Member Stores. However, they cannot be accepted as down-payment or for payment on your account.
2. The buyer may return unused credit coupons at any time and Grants will give the buyer credit for the full face amount of any coupons so returned and credit for the pro rata credit service charge if the same is one dollar or more.
3. If you wish to purchase with credit coupons a single item of merchandise and/or services of greater value than the coupons you now hold, you may save credit service charge by returning your unused coupons to Grants for credit and purchasing new coupons.

How to use your GRANT-a-CHARGE credit coupons

1. Use them like cash in any department of the W. T. Grant Co. or Member Stores. However, they cannot be accepted as down-payment or for payment on your account.
2. The buyer may return unused credit coupons at any time and GRANTS will give the buyer credit for the full face amount of any coupons so returned and credit for the pro rata credit service charge if the same is one dollar or more.
3. If you wish to purchase with credit coupons a single item of merchandise and/or services of greater value than the coupons you now hold, you may save credit service charge by returning your unused coupons to GRANTS for credit and purchasing new coupons.

How to use your GRANT-a-CHARGE credit coupons

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3. If you wish to purchase with credit coupons a single item of merchandise and/or services of greater value than the coupons you now hold, you may save credit service charge by returning your unused coupons to GRANTS for credit and purchasing new coupons.



MEMBER STORES

MEMBER STORES

DESCRIPTION OF
GRANTS 'CHANGE-IT'
CLOTHING CO.
BACK OF

Only copy available



CONTINENTAL ASSURANCE COMPANY

HOME OFFICE - CHICAGO, ILLINOIS

CERTIFICATE OF INSURANCE

SCHEDULE

Name and Address of Debtor					
Account Number	Initial Amount of Insurance	Effective Date of Insurance	Term (Months)	Amount of Monthly Installments	Insurance Charge
157-100	AS STATED IN DESIGNATED ACCOUNT	7-27-71	AS STATED IN DESIGNATED ACCOUNT	AS STATED IN DESIGNATED ACCOUNT	Initial Monthly Insurance Rate \$1.00 per \$100.00 Suggested Annual Insurance Charge 12.00

CONTINENTAL ASSURANCE COMPANY

310 South Michigan Avenue

Chicago, Illinois 60604

(Herein called the Company)

HEREBY CERTIFIES that the life of the Debtor named in the Schedule set forth above, has been insured under the Master Policy specified below, issued to the Creditor named below, whereunder, upon receipt of due proof of said Debtor's death while insured, and prior to the termination of his insurance as described herein, the Company will pay an amount of insurance equal to the balance owed on the date of said Debtor's death, provided, however, that in no event and under no condition shall the aggregate amount of life insurance on the life of any one Debtor exceed the Maximum Amount of Insurance shown below.

All insurance paid hereunder shall be paid to the Creditor, and shall be applied by said Creditor to reduce or extinguish the unpaid indebtedness. In no event shall the charge to the Debtor by the Creditor legally exceed the premium charge by the Company to the Creditor.

In the event there are two or more Debtors who are obligated to the Creditor on the same document of indebtedness, the Debtor insured shall be that Debtor whose signature appears first or uppermost on the document of indebtedness.

The insurance on the life of any Debtor shall immediately terminate on the earliest of the following dates: (a) the date of discharge of the Debtor's indebtedness, (b) the date the indebtedness is refinanced or renewed, (c) thirty days after the original scheduled maturity date of the indebtedness, (d) the date of foreclosure of the security or repossession of the article purchased, if any, (e) the date of termination of the Policy.

If the insurance on the life of any Debtor terminates prior to the original scheduled maturity date of the indebtedness, the Creditor shall refund or credit to the Debtor any charge paid by the Debtor for any period after termination of the Debtor's insurance, provided that no refund shall be made when the amount to be refunded amounts to less than \$1.00. If the amount collected from the Debtor by the Creditor for the Debtor's insurance hereunder has been determined in a single sum, such refund shall be calculated upon the "Rule of 78", a copy of said Rule having been filed with the Creditor and with the Supervisory Official of Insurance of the state in which the Policy is issued.

W. T. GRANT COMPANY

(Creditor)

01500.00

(Maximum Amount of Insurance)

225507 AG AA

(Master Policy Number)

CONTINENTAL ASSURANCE COMPANY

Frederic W. Lawrence
President

President

L 212 12-70

L 333-115

CONTRACTS, MASSACHUSETTS, HENRY PLANT

TERM OF INSURANCE

Subject to other provisions set forth herein, the insurance of any Debtor shall commence on the date he becomes indebted to the Creditor and shall immediately terminate on the earliest of the following dates: (a) the date of discharge of the Debtor's indebtedness, (b) the date the indebtedness is refinanced or renewed, (c) the scheduled maturity date of indebtedness, (d) the date of foreclosure of the security or repossession of the article purchased, if any.

If the insurance of the Debtor for whom the premium is payable in a single amount for the term of contractual duration of the indebtedness terminates prior to the original scheduled maturity date of the indebtedness, a refund shall be paid or credited promptly to the Creditor who shall pay or credit such refund to the Debtor. Such refund shall be calculated according to the formula filed with the Creditor and with the Supervisory Council on Insurance in the state in which the Policy is issued. No refund shall be made when the amount to be refunded is less than \$1.00.

UNIFORM PROVISIONS

NOTICE OF CLAIMS — Written notice of claim must be given to the Company within 20 days after the occurrence or commencement of any loss covered by the Policy, or as soon thereafter as is reasonably possible. Notice given by or in behalf of the claimant to the Company at its Home Office, Chicago, Illinois, or to any authorized agent of the Company, with information sufficient to identify the insured Debtor, shall be deemed notice to the Company.

CLAIM FORMS — The Company, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of the Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

PROOFS OF LOSS — Written proof of loss must be furnished to the Company at its said office in case of claim for loss for which the Policy provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which the Company is liable. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

TIME OF PAYMENT OF CLAIMS — Subject to due written proof of loss, all accrued indemnities for loss for which the Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

PAYMENT OF CLAIMS — All the indemnities payable hereunder shall be paid to the Creditor, and shall be applied by said Creditor to reduce or extinguish the unpaid indebtedness of the Debtor and the excess, if any, shall be paid to the Debtor, if living, otherwise to the estate of the Debtor.

PHYSICAL EXAMINATIONS — The Company at its own expense shall have the right and opportunity to examine the person of the insured Debtor when and as often as it may reasonably require during the pendency of a claim hereunder.

LEGAL ACTIONS — No action at law or in equity shall be brought to recover on the Policy prior to the expiration of 90 days after written proof of loss has been furnished in accordance with the requirements of the Policy. No such action shall be brought after the expiration of 5 years after the time written proof of loss is required to be furnished.

CONFORMITY WITH STATE STATUTES — If any limitation of the Policy with respect to giving notice, furnishing proof or commencing an action at law or in equity is less than permitted by the law of the state in which the insured Debtor resides at the time the Policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

only copy available

James W. [Signature]
President

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TERM OF INSURANCE

Subject to other provisions set forth herein, the insurance of any Debtor shall commence on the date he becomes indebted to the Creditor and shall immediately terminate on the earliest of the following dates: (a) the date of discharge of the Debtor's indebtedness, (b) the date the indebtedness is refinanced or renewed, (c) the original scheduled maturity date of indebtedness, (d) the date of foreclosure of the security or repossession of the article purchased if any.

If the insurance of the Debtor for whom the premium is payable in a single amount for the entire contractual duration of the indebtedness terminates prior to the original scheduled maturity date of the indebtedness, a refund shall be paid or credited promptly to the Creditor who shall pay or credit such refund to the Debtor. Such refund shall be calculated according to the formula filed with the Creditor and with the Supervisory Official of Insurance in the state in which the Policy is issued. No refund shall be made when the amount to be refunded is less than \$1.00.

UNIFORM PROVISIONS

NOTICE OF CLAIMS — Written notice of claim must be given to the Company within 20 days after the occurrence or commencement of any loss covered by the Policy, or as soon thereafter as is reasonably possible. Notice given by or in behalf of the claimant to the Company at its Home Office, Chicago, Illinois, or to any authorized agent of the Company, with information sufficient to identify the insured Debtor, shall be deemed notice to the Company.

CLAIM FORMS — The Company, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of the Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

PROOFS OF LOSS — Written proof of loss must be furnished to the Company at its said office in case of claim for loss for which the Policy provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which the Company is liable. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

TIME OF PAYMENT OF CLAIMS — Subject to due written proof of loss, all accrued indemnities for loss for which the Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

PAYMENT OF CLAIMS — All the indemnities payable hereunder shall be paid to the Creditor, and shall be applied by said Creditor to reduce or extinguish the unpaid indebtedness of the Debtor and the excess, if any, shall be paid to the Debtor, if living, otherwise to the estate of the Debtor.

PHYSICAL EXAMINATIONS — The Company at its own expense shall have the right and opportunity to examine the person of the insured Debtor when and as often as it may reasonably require during the pendency of a claim hereunder.

LEGAL ACTIONS — No action at law or in equity shall be brought to recover on the Policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of the Policy. No such action shall be brought after the expiration of 5 years after the time written proof of loss is required to be furnished.

CONFORMITY WITH STATE STATUTES — If any limitation of the Policy with respect to giving notice, furnishing proof or commencing an action at law or in equity is less than that permitted by the law of the state in which the insured Debtor resides at the time the Policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

only copy available

Joseph W. Lammert
President



CONTINENTAL ASSURANCE COMPANY

HOME OFFICE - CHICAGO, ILLINOIS

(hereinafter called the Company)

SCHEDULE

Name and Address of Debtor:		Account No.				
Total Indebtedness	Amount of Monthly Installments	Effective Date of Account Mo. Da. Yr.			Term (Months)	Insurance Charge
As stated in Designated Account	As stated in Designated Account				As stated, in Designated Account	

CERTIFICATE OF INSURANCE

HEREBY CERTIFIES that the Debtor named in the Schedule set forth herein, has been insured under the Master Policy L24069 B3 AA, issued to W. T. GRANT COMPANY (herein called Creditor).

If the Insured Debtor is absent from active work on account of injury or sickness on the date his insurance would otherwise take effect, it shall take effect on the date he returns to active work.

In the event there are two or more Debtors, who are obligated to the Creditor on the same document of indebtedness, the Debtor insured shall be that Debtor who is indicated on this Certificate and on the document of indebtedness as the Insured Debtor.

DEFINITION OF INJURY AND SICKNESS

"Injury", wherever used herein, means bodily injury caused by an accident occurring while the Policy is in force as to the Insured Debtor and resulting directly and independently of all other causes in loss covered by the Policy. "Sickness", wherever used herein, means sickness or disease which causes disability commencing while the Policy is in force as to the Insured Debtor whose sickness is the basis of claim and resulting in loss covered by the Policy.

LOSS OF TIME INDEMNITY

Upon receipt by the Company of due notice and proof, in writing, that the Debtor while insured hereunder has become totally disabled as a result of bodily injury or sickness and is prevented thereby from performing each and every duty pertaining to his occupation and such total disability continues uninterrupted for a period of 14 days, during which time the Debtor is under the care of a legally qualified physician, other than himself, the Company will pay to the Creditor a Daily Benefit calculated at a rate of 1/30 of the Insured Debtor's monthly installment.

The Daily Benefit shall be payable from the 1st day of disability and shall continue as long as the Debtor remains disabled, as described above, provided however, that no payment will be made for the part of any period of continuous disability extending beyond the original scheduled maturity date of the indebtedness, and further provided that any disability of the Debtor, the duration of which is 14 days or less, shall constitute no obligation against the Company. The accumulated Daily Benefit shall be payable once each month. In no event and under no condition, shall the amount of the monthly indemnity payable hereunder in the event of total disability as defined herein, exceed the amount of the Debtor's initial indebtedness divided by the number of months in the term of indebtedness or \$100.00, whichever is less.

EXCLUSIONS

Policy does not cover loss caused by or resulting from: (1) pregnancy including childbirth or miscarriage, (2) self inflicted injury while sane or insane; or (3) any act of war. The term "war" as used herein includes but is not limited to undeclared war and/or armed conflict involving the military, naval or air forces of any country, international organization or combination of countries.

CREDITOR-DEBTOR INSURANCE ONLY

L 340-36.

M-351 12-70

CONNECTICUT

CERTIFICATE OF PROPERTY INSURANCE

Contract Date _____ 19____ Customer's Account No. _____ Term _____



THE CENTRAL NATIONAL INSURANCE COMPANY OF OMAHA, has granted the insurance shown below to

Name of
Customer _____

Store
No. _____

PREMIUM

AMOUNT OF SALE EXCLUDING
FINANCE AND INSURANCE CHARGES

\$ _____

\$ _____

Property Insurance

Insured Creditor _____ W.T. Grant Company

This Certificate is issued by the Central National Insurance Company of Omaha, Omaha, Nebraska, and subject to all conditions, and limitations of its Creditor Group Policy insuring the interest of the Creditor and Customer and/or assigns in the goods purchased under the Customer's current conditional sales contract, deferred payment contract, installment sales contract, or a security agreement, hereinafter referred to as the "instrument", against specified perils of direct and accidental loss or damage as enumerated below.

Fire, Lightning, Windstorm, Cyclone, Tornado, Hail, Explosion, Riot, Riot Attending a Strike, Civil Commotion, Aircraft, Vehicles, Smoke, Earthquake (but not Mudslide), Marine perils while on ferries and/or in cars or transfers in connection with land conveyances, Collision, Burglary from within a building or room (of which there must be visible evidence of forcible entry), Flood (but excluding the backing up of sewers or water seepage through foundation walls).

The Coverage provided by this Certificate continues until the final payment date as shown in the instrument or until termination of the Creditor's financial interest therein, whichever occurs first.

Notice of Loss. Notice of loss or damage which may become a claim under this Certificate must be filed with the Company, or its duly authorized representative, within ninety (90) days from date of loss or damage. Failure to report the said loss or damage within the stated period of time shall invalidate any claim under this Certificate for such loss.

Creditor Group Policy No. MP 740725
CN 5083

Frank J. Bennett
Secretary

GRANT'S "CHARGE-IT" PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10018

DATE _____

Seller's Place of Business _____

Buyer(s) _____

FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME _____

Buyer's

Residence _____

NO. AND STREET OR ROAD AND R.O.U.E

CITY _____

STATE _____

ZIP CODE _____

Employer _____

Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the credit service charge, and charge for credit life insurance if selected, and charge for accident and sickness insurance, if selected. 4. You remain liable under this contract if coupon book and/or merchandise is lost, stolen or destroyed.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
1. Cash price of goods or services (applicable taxes included)		6. Charge for credit accident and sickness insurance (if selected)	
2. Down payment		7. Amount financed (3 plus 5 and 6)	
3. Balance (1 minus 2)		8. Unpaid balance (4 plus 7)	
4. Credit service charge		Payable in _____ equal instalments of \$ _____ and one	
5. Charge for credit life insurance (if selected)		final instalment of \$ _____ starting on _____ and monthly thereafter.	

FINANCE CHARGE _____ % PER YEAR

Payments due hereunder are to be made to the W. T. Grant Co. at _____

STORE ADDRESS _____

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less; (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid balance shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the seller; (H) that Group Term Life Insurance under a group creditors insurance policy procured by the seller is selected, and the credit life insurance charge specified above is agreed to; (I) that Accident and Sickness Insurance under a group creditors accident and sickness policy procured by the seller is selected and the credit accident and sickness insurance charge specified above is agreed to, only if a charge is shown in the appropriate space and/or spaces above (5 and/or 6) and the name of the buyer to be insured is set forth in the space immediately below prior to the execution of this contract. The insurance is for the term of the indebtedness and the life insurance provides benefits equal to the amount owed and the accident and sickness insurance provides benefits for a covered disability equal to the monthly instalment.

PRINT NAME OF BUYER TO BE INSURED _____

(J) Buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract and both accept liability, whether separated or divorced, for all purchases of family necessities purchased herein before notice is sent to seller by certified mail.

This entire agreement is effective only upon credit approval of W. T. Grant Company's Credit Department.

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CREDIT CONTRACT

W. T. GRANT COMPANY

(Buyer) _____

(Co-Buyer) _____

By _____

ACCOUNT NUMBER



W. T. GRANT'S CREDIT PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10018

DATE

Seller's Place of Business

Buyer(s)

FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's

Residence

NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer

Weekly Income

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final instalment is due and receive rebate or credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the sum of digits method, less such acquisition charge as may be authorized under state law. 4. You may at any time return unused coupons to the store where purchased and received a full credit refund for the face amount thereof plus a complete finance charge refund on the unused coupons. A like adjustment is made on insurance charges, if any.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
1.	Cash price of goods	6. FINANCE CHARGE (computed on "5")	
2.	Cash down payment	7. Deferred payment price (1 plus 4(a), 4(b) and 6)	
3.	Unpaid balance of cash price (1 minus 2)	8. Total of payments (5 plus 6) (Time balance)	
4.	Other charges: [a] Credit life insurance, (if selected) [b] Accident and sickness insurance, (if selected)	The Buyer agrees to pay to the Seller the "Total of Payments" shown above (8) in _____ equal monthly installments of \$ _____ and one final installment of _____ starting on _____ and all subsequent installments on the same day of each consecutive month until paid in full.	
5.	Amount financed (3 plus 4(a) and 4(b))		

Payments due hereunder are to be made to the W. T. Grant Company at

STORE ADDRESS

ANNUAL PERCENTAGE RATE _____%

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

INSURANCE AGREEMENT

The purchase of group term credit life insurance and/or Accident and Sickness Insurance coverage is voluntary and not required for credit. Credit life insurance coverage is offered at a cost of \$ _____ and Accident and Sickness Insurance at a cost of \$ _____ for the term of credit. As Buyer I am aware of the cost and desire both credit life and Accident and Sickness Insurance. (If both coverages are not desired the customer must strike out the one declined before signing below).

The name of the insured is:

PRINT NAME OF THE INSURED

Date

Signed X

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALLMENT CREDIT CONTRACT

W. T. GRANT COMPANY

X

(Buyer)

By

(Co-Buyer)

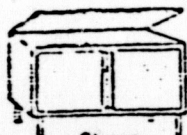
BRADFORD
APPLIANCES



Portable Television



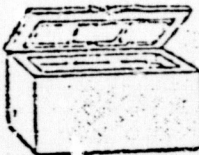
Home Entertainment Centers



Stereo



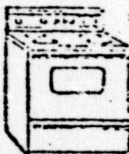
Refrigerators



Freezers



Washers & Dryers



Gas & Electric Ranges

CREDIT APPROVAL STAMP

Soller's Place of Business

DATE _____

Buyer(s) _____ FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's

Residence — NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer _____ Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final instalment is due and receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the sum of digits method. When such rebate is less than \$1, no rebate will be made. An acquisition charge may be imposed by the seller when authorized by state law. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance charge refund on the unused coupons. A like adjustment is made on insurance charges, if any.

To induce the W. T. Grant Company to make this sale, the buyer therein called, whether one or more, the "buyer" represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.

1. Cash price of goods		6. FINANCE CHARGE (computed on "5")	
2. Cash down payment		7. Deferred payment price (1 plus 4(a), 4(b) and 6)	
3. Unpaid balance of cash price (1 minus 2)		8. Total of payments (5 plus 6) (Time balance)	
4. Other charges: (a) Credit life insurance, (if selected) (b) Accident and sickness insurance, (if selected)		The Buyer agrees to pay to the Seller the "Total of Payments" shown above (3) in _____ equal monthly installments of \$ _____ and one final installment of _____ starting on _____ and all subsequent installments on the same day of each consecutive month until paid in full.	
5. Amount financed (3 plus 4(a) and 4(b))			

Payments due hereunder are to be made to the W. T. Grant Company at _____ STORE ADDRESS

ANNUAL PERCENTAGE RATE _____%

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay, in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract.

***sents having authority from spouse to sign this Retail Installment Credit Contract.
This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.***

INSURANCE AGREEMENT

INSURANCE AGREEMENT

The purchase of group term credit life insurance and/or Accident and Sickness Insurance coverage is voluntary and not required for credit. Credit life insurance coverage is offered at a cost of \$_____ and Accident and Sickness Insurance at a cost of \$_____ for the term of credit. As Buyer, I am aware of the cost and desire both credit life and Accident and Sickness Insurance. (If both coverages are not desired the customer must strike out the one declined before signing below).

The name of the insured is:

PRINT NAME OF THE INSURED

Date _____ Signed _____

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALLMENT CREDIT CONTRACT

W. T. GRANT COMPANY

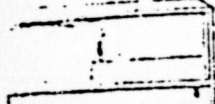
X _____ (Buyer)

(Co-Buyer)

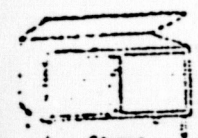
**BROADFORD
APPLIANCES**



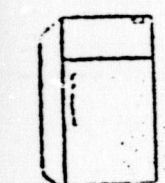
Page 2 - Revision



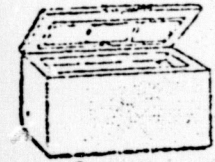
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Centers



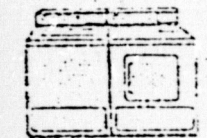
S:ereo



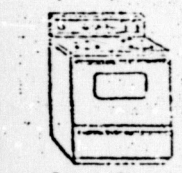
Refrigerators



Freezers



Washers & Dryers



Gas & Electric
Rarries

CREDIT APPROVAL STAMP

ACCOUNT NUMBER

IC-14 COM 4 438581
TL-2 68

ONLY COPY AVAILABLE

Seller's Place of Business _____

Buyer(s) _____

DATE _____

FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FULL NAME

Buyer's

Residence _____

NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer _____

Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final instalment is due and receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the sum of digits method. When such rebate is less than \$1, no rebate will be made. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance charge refund on the unused coupons. A like adjustment is made on insurance charges, if any. To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICE	PRICE	SERIAL NO.

1. Cash price of goods	7. Amount financed (the sum of lines 5, 6[a] and [b])
2. Cash down payment	8. FINANCE CHARGE
3. Unpaid balance of cash price (1 minus 2)	9. Deferred payment price (the sum of lines 1, 4, 6[a], [b] and 8)
4. Property insurance (if selected, based on 1)	10. Total of payments (7 plus 8) (Time balance)
5. Total of 3 plus 4	The Buyer agrees to pay to the Seller the "Total of Payments" shown above [10] in _____ equal monthly installments of \$ _____ and one final installment of _____ starting on _____ and all subsequent installments on the same day of each consecutive month until paid in full.
6. Other insurance charges: [a] Credit life (if selected)	
[b] Accident & sickness (if selected)	

Payments due hereunder are to be made to the W. T. Grant Company at _____

STORE ADDRESS

ANNUAL PERCENTAGE RATE _____ %

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days, the buyer shall pay to the seller, not later than (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of (5) dollars, whichever is less (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payment shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment at any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married represents having authority from spouse to sign this Retail Instalment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

INSURANCE AGREEMENT

The purchase of credit life insurance and accident and sickness insurance alone, property insurance alone, OR all 3 types of coverage, is voluntary and not required for credit. The cost of each type of insurance for the term of the contract is listed below and you may select the coverage you desire by checking the appropriate box and signing and inserting the date when indicated. If no box is checked and this insurance agreement is unsigned, no coverage will be provided. Print the name of the insured only when credit life and accident and sickness insurance is selected. Property insurance may be obtained by you through any person of your choice.

☐ I wish Property _____ \$ _____
☐ I wish Credit Life and Accident & Sickness _____ \$ _____
TOTAL \$ _____

The name of the insured is _____

Date _____ Signed **X** _____

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CREDIT CONTRACT.

W. T. GRANT COMPANY

X

(Buyer)

By _____

(Co-Buyer)

Buyer(s) _____ FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's
Residence - _____
NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer

Weekly Income

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the credit service charge and charge for credit life insurance if selected, and charge for accident and sickness insurance, if selected 4. You remain liable under this contract if common bank and/or merchandise is lost, stolen or destroyed.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

CONDITIONS:		TERMS:	
QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
A. PRIOR BALANCE DUE		5. Charge for accident and sickness insurance on new purchase (if selected)	
B. PRIOR BALANCE DUE AFTER REBATE OR CREDIT SERVICE CHARGE		6. Amount financed (Line B plus 3, 4 and 5)	
1. Cash price of goods or services (applicable taxes included)		7. (a) Credit service charge \$ _____ (b) Less rebate _____	
2. Down payment		8. Consolidated balance (6, plus 7(a))	
3. Balance (1 minus 2)		9. Net add-on (the sum of 3, less 4, 5 and 7)	
4. Charge for credit life insurance on new purchase (if selected)		Payable in _____ equal instalments of \$ _____ and one final instalment of \$ _____ starting on _____ and monthly thereafter.	

FINALIZE CHANGE _____ % PER YEAR

Payments due hereunder are to be made to the W. T. Grant Co. at

STORE ADDRESS

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any installment may be in default hereunder for at least 10% of the buyer shall pay to the seller, not later than one (1) one month after such default, an amount calculated at the rate of five (5) cents for each dollar of the installments so in default, or the sum of five (5) dollars, whichever is less; (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid balance shall, at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a later amount after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the seller; (H) that Group Term Life Insurance under a group creditors insurance policy procured by the seller is selected, and the credit life insurance charge specified above is agreed to; (I) that Accident and Sickness Insurance under a group creditors accident and sickness policy procured by the seller is selected and the credit accident and sickness insurance charge specified above is agreed to, only if a chart is shown in the appropriate space and/or spaces above (4 and/or 5) and the name of the buyer to be insured is set forth in the space immediately below prior to the execution of this contract. The insurance is for the term of the installment and the life insurance provides benefits equal to the amount owed and the accident and sickness insurance provides benefits for a covered disability equal to the monthly installment.

PRINT NAME OF BUYER TO BE INSURED

(J) Payer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract and both accept liability, whether separated or divorced, for all purchases of family necessities purchased herein before notice is sent to seller by certified mail.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALLMENT CREDIT CONTRACT

W. T. GRANT COMPANY

(Buyer)

(Columbian)

GRANT'S "CHARGE-IT" PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10018

10

DATE

Seller's Place of Business

Buyer(s)

FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's

Residence

NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer

Weekly Income

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the credit service charge, and charge for credit life insurance if selected, and charge for accident and sickness insurance, if selected 4. You remain liable under this contract if coupon book and/or merchandise is lost, stolen or destroyed.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer" represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
A. PRIOR BALANCE DUE		5. Charge for accident and sickness insurance on new purchase (if selected)	
B. PRIOR BALANCE DUE AFTER REBATE OF CREDIT SERVICE CHARGE		6. Amount financed (Line B plus 3, 4 and 5)	
1. Cash price of goods or services (applicable taxes included)		7. (a) Credit service charge \$	
		(b) Less rebate	
2. Down payment		8. Consolidated balance (6 plus 7(a))	
3. Balance (1 minus 2)		9. Net add-on (the sum of 3 plus 4, 5 and 7)	
4. Charge for credit life insurance on new purchase (if selected)		Payable in _____ equal instalments of \$ _____ and one final instalment of \$ _____ starting on _____ and monthly thereafter.	

FINANCE CHARGE _____ **% PER YEAR**

Payments due hereunder are to be made to the W. T. Grant Co. at

STORE ADDRESS

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less; (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid balance shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the seller; (H) that Group Term Life Insurance under a group creditors insurance policy procured by the seller is selected, and the credit life insurance charge specified above is agreed to; (I) that Accident and Sickness Insurance under a group creditors accident and sickness policy procured by the seller is selected and the credit accident and sickness insurance charge specified above is agreed to, only if a charge is shown in the appropriate space and/or spaces above (4 and/or 5) and the name of the buyer to be insured is set forth in the space immediately below prior to the execution of this contract. The insurance is for the term of the indebtedness and the life insurance provides benefits equal to the amount owed and the accident and sickness insurance provides benefits for a covered disability equal to the monthly instalment.

PRINT NAME OF BUYER TO BE INSURED

(J) Buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract and both accept liability, whether separated or divorced, for all purchases of family necessities purchased herein before notice is sent to seller by certified mail. This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CREDIT CONTRACT
W. T. GRANT COMPANY

By

(Buyer)

(Co-Buyer)

SC-14-COMM. (WTC 65078) 2/1/66

ONLY COPY AVAILABLE



GRANT'S CREDIT PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10018

Seller's Place of Business

DATE

Buyer(s)

FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's
Residence

NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer

Weekly Income

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract any time before final instalment is due and receive rebate credit of unearned credit service charge and charge(s) for insurance(s), if any, in accordance with sum of the digits method, less such acquisition charge as may be authorized under state law. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete service charge refund on the unused coupons. A like adjustment is made on insurance charges, if any.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.

A. PRIOR BALANCE DUE	5. Charge for accident and sickness insurance on new purchase (if selected)
B. PRIOR BALANCE DUE AFTER REBATE OF CREDIT SERVICE CHARGE	6. Amount financed (Line B plus 3, 4 and 5)
1. Cash price of goods or services (applicable taxes included)	7. (a) Credit service charge \$ <input type="text"/> (b) Loss rebate <input type="text"/>
2. Down payment	8. Consolidated balance (6 plus 7(a))
3. Balance (1 minus 2)	9. Not add-on (the sum of 3 plus 4, 5 and 7)
4. Charge for credit life insurance on new purchase (if selected)	Payable in <input type="text"/> equal instalments of \$ <input type="text"/> and one final instalment of \$ <input type="text"/> starting on <input type="text"/> and monthly thereafter.

Payments due hereunder are to be made to the W. T. Grant Company at

STORE ADDRESS

ANNUAL PERCENTAGE RATE OF FINANCE CHARGE %

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) one month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid balance shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the seller; (H) that Group Term Life Insurance under a group creditors insurance policy procured by the seller is selected, and the credit life insurance charge specified above is agreed to; (I) that Accident and Sickness Insurance under a group creditors accident and sickness policy procured by the seller is selected and the credit accident and sickness insurance charge specified above is agreed to, only if a charge is shown in the appropriate space and/or spaces above (4 and/or 5) and the name of the buyer to be insured is set forth in the space immediately below prior to the execution of this contract. The insurance is for the term of the indebtedness and the life insurance provides benefits equal to the amount owed and the accident and sickness insurance provides benefits for a covered disability equal to the monthly instalment.

PRINT NAME OF BUYER TO BE INSURED IF OPTIONAL INSURANCE IS ELECTED

(J) Buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Dept.

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CREDIT CONTRACT

W. T. GRANT COMPANY

By

(Buyer)

(Co-Buyer)

4 CONN. (WTG 65078) By
L ADD-ON 12/63

ACCOUNT NUMBER

RANTS CREDIT PLAN

SELLER: W.T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10018

DATE _____

Seller's Place of Business

Buyer(s)

FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's

NO. AND STREET OR ROAD AND ROUTE

CIV

STATO

ZIP CODE

Employer.

Weekly Income

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract any time before final instalment is due and receive rebate credit of unearned finance charge and charge for insurance(s) if any, in accordance with the sum of digits method, less such acquisition charge as may be authorized under state law. 4. You may at any time return unused coupons to the store where purchased and received a full credit refund for the face amount thereof plus a complete finance charge reduction on the unused coupons. A like adjustment is made on insurance charges, if any.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
A. Prior balance due before rebate of FINANCE CHARGE		6. Amount financed (the sum of lines B, 3, 4 and 5)	
D. Prior balance due after rebate of FINANCE CHARGE		7. (a) Finance Charge \$ _____, (b) Less rebate \$ _____ equals	
1. Cash price (new sales)		8. Deferred payment price (the sum of lines B, 1, 4, 5 and 7(a))	
2. Cash down payment		9. Net add-on (the sum of lines 3, 4, 5, and 7)	
3. Unpaid balance of cash price (1 minus 2)		10. Total of payments (the sum of lines 6 and 7(a))	
4. Additional charge for credit life insurance (if selected)		The Buyer agrees to pay to the Seller the "Total of Payments" shown above (10) in _____ equal monthly installments of \$ _____ one final installment of _____ starting on _____ and all subsequent installments on the same day of each consecutive month until paid in full.	
5. Additional charge for credit accident and sickness insurance (if selected)			

Payments due hereunder are to be made to the W. T. Grant Company at

ANNUAL PERCENTAGE RATE _____%

STORE ADDRESS

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (1) month the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less; that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married, hereby grants having authority from spouse to sign this Retail Instalment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

INSURANCE AGREEMENT

The purchase of group term credit life insurance and/or Accident and Sickness Insurance coverage is voluntary and not required for credit. Credit life insurance coverage is offered at a cost of \$_____ and Accident and Sickness Insurance at a cost of \$_____ for the term of credit. As Buyer I am aware of the cost and desire both credit life and Accident and Sickness Insurance. (If both coverages are not desired the customer must strike out the one declined before signing below).

The name of the insured is:

PRINT NAME OF THE INSURED

Date _____

Signed X

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CREDIT CONTRACT

W. T. GRANT COMPANY

(3uyer)

By _____

(Co-Buyer)

SC-14 COM. (WTC 65078)
 7L-1 ADD ON 6/82

ONLY V. COPY AVAILABLE



W. T. GRANT CREDIT PLAN

NEW YORK, N. Y. 10018

14

Seller's Place of Business _____

DATE _____

Buyer(s) _____

FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME _____

Buyer's

Residence _____

NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer _____

Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final instalment is due and receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the sum of digits method. When such rebate is less than \$1, no rebate will be made. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance charge refund on the unused coupons. A like adjustment is made on insurance charges, if any.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
A. Prior balance due before rebate of FINANCE CHARGE		7. Amount financed (the sum of lines B, 5, 6(a) and 6(b))	
B. Prior balance due after rebate of FINANCE CHARGE		8. (a) Finance charge \$ _____ (b) Less rebate \$ _____ equals	
1. Cash price (new sales)		9. Deferred payment price (the sum of lines B, 1, 4, 6(a), 6(b) and 8(a))	
2. Cash down payment		10. Net add-on (the sum of lines 5, 6(a), 6(b) and 8)	
3. Unpaid balance of cash price (1 minus 2)		11. Total payments (the sum of lines 7 and 8(a))	
4. Property insurance (if selected, based on 1)		The Buyer agrees to pay to the Seller the "Total of Payments" shown above (11) in _____ equal installments of \$ _____ and one final installment of \$ _____ starting on _____ and all subsequent installments on the same day of each consecutive month until paid in full.	
5. Total of 3 plus 4			
6. Other insurance charge: (a) Credit life insurance (if selected) (b) Accident and sickness insurance (if selected)			

Payments due hereunder are to be made to the W. T. Grant Company at _____

STORE ADDRESS _____

ANNUAL PERCENTAGE RATE _____%

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of (5) dollars, whichever is less (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract. This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

INSURANCE AGREEMENT

The purchase of credit life insurance and accident and sickness insurance alone, property insurance alone, OR all 3 types of coverage, is voluntary and not required for credit. The cost of each type of insurance for the term of the contract is listed below and you may select the coverage you desire by checking the appropriate box and signing and inserting the date where indicated. If no box is checked and this insurance agreement is unsigned, no coverage will be provided. Print the name of the insured only when credit life and accident and sickness insurance is selected. Property insurance may be obtained by you through any person of your choice.

☐ I wish Property _____ \$ _____
☐ I wish Credit Life and Accident & Sickness _____ \$ _____
TOTAL \$ _____

The name of the insured is _____

Date _____ Signed **X** _____

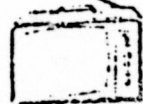
BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CREDIT CONTRACT.

W. T. GRANT COMPANY

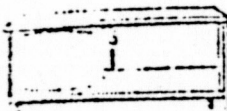
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ACCOUNT NUMBER

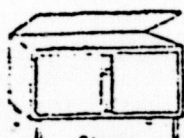
BRADFORD
APPLIANCES



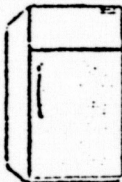
17" (21") Television



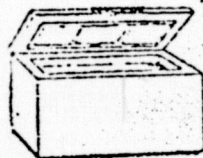
Home Entertainment Centers



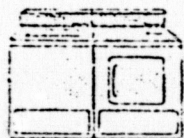
Stereo



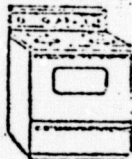
Refrigerators



Freezers



Washers & Dryers



Gas & Electric Ranges

CREDIT APPROVAL STAMP

Seller's Place of Business _____

DATE _____

Buyer(s) _____ FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME _____

Buyer's
Residence _____

NO. AND STREET OR ROAD AND ROUTE _____

CITY _____

STATE _____

ZIP CODE _____

Employer _____

Weekly Income _____

NOTE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final instalment is due and receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the sum of the method. When such rebate is less than \$1, no rebate will be made. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance charge (based on the unused coupons. A like adjustment is made on insurance charges, if any. 5. If a coupon book (unused or partially used) is lost, destroyed or stolen, the company will, on prompt notice of such mishap, replace the lost coupons or adjust the unpaid balance due by deducting therefrom the face value of the coupons missing and all finance charges thereon. Replacement or adjustment will usually be at the buyer's option; however, the seller may in its sole discretion adjust upon account adjustment. 6. If the amount owed for the coupons is paid within 30 days of the date the coupons are first redeemed, no finance charge will be imposed. 7. A buyer has a choice of purchasing a coupon book in denominations of \$20 to \$200.

In order for the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
A. Prior balance due before rebate of FINANCE CHARGE		7. Amount financed (the sum of lines 8, 5, 6(a) and 6(b))	
B. Prior balance due after rebate of FINANCE CHARGE		8. (a) Finance charge \$ _____ (b) Less rebate \$ _____ equals	
1. Cash price (new sales)		9. Deferred payment price (the sum of lines 3, 1, 4, 6(a), 6(b) and 8(a))	
2. Cash down payment		10. Net add-on (the sum of lines 5, 6(a), 6(b) and 8)	
3. Unpaid balance of cash price (1 minus 2)		11. Total payments (the sum of lines 7 and 8 (a))	
4. Property insurance (if selected, based on 1)		The Buyer agrees to pay to the Seller the "Total of Payments" shown above (11) in _____ equal installments of \$ _____ and one final installment of \$ _____ starting on _____ and all subsequent installments on the same day of each consecutive month until paid in full.	
5. Total of 3 plus 4			
6. Other insurance charge: (a) Credit life insurance (if selected) (b) Accident and sickness insurance (if selected)			

payments due hereunder are to be made to the W. T. Grant Company at _____

STORE ADDRESS _____

ANNUAL PERCENTAGE RATE _____ %

Buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default for at least (10) days the buyer shall pay to the seller, not later than (1) month after such default, an amount calculated at the rate of (15) cents for each dollar of the instalments so in default, or the sum of (5) dollars, whichever is less (E) that if seller refers the account to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment under the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the buyer of any instalment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then owing unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract.

entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

IT APPROVAL STAMP

INSURANCE AGREEMENT

The purchase of credit life insurance and accident and sickness insurance alone, property insurance alone, OR all 3 types of coverage, is voluntary and not required for credit. The cost of each type of insurance for the term of the contract is listed below and you may select the coverage you desire by checking the appropriate box and signing and inserting the date where indicated. If no box is checked and this insurance agreement is unsigned, no coverage will be provided. Print the name of the insured only when credit life and accident and sickness insurance is selected. Property insurance may be obtained by you through any person of your choice.

☐ I wish Property \$ _____
☐ I wish Credit Life and Accident & Sickness \$ _____
TOTAL \$ _____

The name of the insured is _____

Date _____ Signed **X** _____

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CONTRACT.

W. T. GRANT COMPANY

X _____
(Buyer)

By _____

(Co-Buyer)

CONH. (WTG 65078)
3 AUG-ON 1/71

ONLY COPY AVAILABLE

ACCOUNT NUMBER

CREDIT

APPLICATION

16

(PLEASE PRINT)

Date

Name _____
Full Name of husband (if married) _____ Wife's first name _____Address _____
Street _____ Town _____ State _____I am Married _____ I own _____ I have No.
Widowed _____ Rent _____ of Dependents _____
Single _____ Board _____

My Home Phone No. is _____

I have lived at my present address since _____

Former address (if less than 2 years at present address) _____

My husband's employer is _____

His occupation is _____

He has been employed since _____ His weekly earning is _____

Previous employer (if less than 2 years at above position) _____

I have additional income _____ Amount _____

My nearest relative is _____

(His) (Her) relationship to me _____

(His) (Her) address is _____

I have a bank account at: _____ Checking _____ Savings _____

I have accounts at: _____ Open _____ Closed _____

_____ Open _____ Closed _____

_____ Open _____ Closed _____

CREDIT
APPROVAL
STAMPHIGH CREDIT
RATINGSC-14-B
(WTG 63677)
12/64

ONLY COPY AVAILABLE

GRANTS "CHARGE-IT" PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10013

DATE _____

Buyer(s) _____ FULL NAME OF HUSBAND (IF MARRIED) _____ WIFE'S FIRST NAME _____

Buyer's Residence _____ NO. AND STREET OR ROAD AND ROUTE _____ CITY _____ STATE _____ ZIP CODE _____

Employer _____ Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the credit service charge, and charge for credit life insurance, if selected.

To induce W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the goods, or services described below upon the following terms and conditions:

QUANTITY	DESCRIPTION	PRICE	SERIAL NO.

1. Cash sale price	6. Time balance (3 plus 4 & 5)
2. Down payment	7. Previous time balance
3. Balance (1 minus 2)	8. Total time balance (6 plus 7)
4. Charge for Credit Life Insurance (if selected)	Payable in _____ equal instalments of \$ _____ and one final instalment of \$ _____ starting on _____ and monthly thereafter.
5. Credit service charge	

Payments due hereunder are to be made to the W. T. Grant Company at _____ STORE ADDRESS _____

The Buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for all loss, damage, or destruction of the merchandise; (B) not to sell, remove from the County or State, or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least ten (10) days the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less; (E) that if seller engages an attorney for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to twenty (20) per cent thereof; (F) that upon default in any payment hereunder the seller may hold the buyer jointly and severally liable for the full unpaid total time balance which then may become due and payable at the seller's option; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) that declining balance Group Term Life Insurance under a group credit-tors insurance policy procured by the seller is elected, and the credit life insurance charge specified above is agreed to, only if the name of buyer to be insured is set forth in the space immediately below prior to the execution of this contract:

PRINT NAME OF BUYER TO BE INSURED _____

(I) That she is over 21 years of age and is authorized to sign this retail instalment sales contract. Both she and her husband shall remain liable, whether separated or divorced, for all the family necessities purchased hereunder before notice given to the Seller by certified mail.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

BUYER ACKNOWLEDSES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT SALES CONTRACT

W. T. GRANT COMPANY

(Buyer)

By _____

(Co-Buyer)

ONLY COPY AVAILABLE

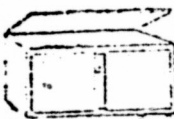
ACCOUNT NUMBER

BRADFORD APPLIANCES



Portable Television

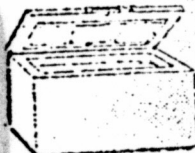
Home Entertainment Centers



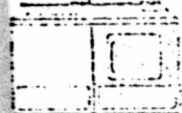
Stereo



Refrigerators



Freezers



Washers & Dryers



Gas & Electric Ranges

CREDIT APPROVAL STAMP

GRANTS "CHARGE-IT" PLAN

SELLER: W. T. GRANT COMPANY 1441 BROADWAY, NEW YORK, N. Y. 10018

DATE

Buyer(s) _____ FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's Residence _____ NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer _____

Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the credit service charge, and charge for credit life insurance if selected, and charge for accident and sickness insurance, if selected. 4. You remain liable under this contract if coupon book and/or merchandise is lost, stolen or destroyed.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION	PRICE	SERIAL NO.

1. Cash sale price	7. Charge for Credit Accident and Sickness Insurance (if selected)
2. Down payment	8. Time balance (5 plus 6 plus 7)
3. Balance (1 minus 2)	9. Previous time balance
4. Credit service charge	10. Total time balance (3 plus 9)
5. Principal balance (3 plus 4)	Time sale price (1 plus 4, 6 and 7)
6. Charge for Credit Life Insurance (if selected)	Payable in _____ equal installments of \$ _____ and one final instalment of \$ _____ starting on _____ and monthly thereafter.

Payments due hereunder are to be made to the W. T. Grant Co. at _____

STORE ADDRESS

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less; (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid balance shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the seller; (H) that Group Term Life Insurance under a group creditors insurance policy procured by the seller is selected, and the credit life insurance charge specified above is agreed to; (I) that Accident and Sickness Insurance under a group creditors accident and sickness policy procured by the seller is selected and the credit accident and sickness insurance charge specified above is agreed to, only if a charge is shown in the appropriate space and/or spaces above (6 and/or 7) and the name of the buyer to be insured is set forth in the space immediately below prior to the execution of this contract.

PRINT NAME OF BUYER TO BE INSURED

(J) Buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Sales Contract and both accept liability, whether separated or divorced, for all purchases of family necessities purchased herein before notice is sent to seller by certified mail. This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT SALES CONTRACT

W. T. GRANT COMPANY

(Buyer)

ONLY COPY AVAILABLE



GRANT'S CREDIT PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10018

DATE

Seller's Place of Business

Buyer(s) FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's Residence

NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer

Weekly Income

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge, and charge for credit life insurance if selected, and charge for accident and sickness insurance, if selected. 4. You remain liable under this contract if coupon book and/or merchandise is lost, stolen or destroyed.

To induce the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise coupon books listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
1. Cash price of goods or services (applicable taxes included)		6. Principal balance (3, plus 4 and 5)	
2. Down payment		7. Finance charge	
3. Balance (1 minus 2)		8. Unpaid time balance (6 plus 7)	
4. Charge for credit life insurance (if selected)		9. Time sale price (1 plus 4, 5 and 7)	
5. Charge for credit accident and sickness insurance (if selected)		Payable in _____ equal instalments of \$ _____ and one final instalment of \$ _____ starting on _____ and monthly thereafter.	

FINANCE CHARGE % PER YEAR

Payments due hereunder are to be made to the W. T. Grant Co. at

STORE ADDRESS

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less; (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid balance shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the seller; (H) that Group Term Life Insurance under a group creditors insurance policy procured by the seller is selected, and the credit life insurance charge specified above is agreed to; (I) that Accident and Sickness Insurance under a group creditors accident and sickness policy procured by the seller is selected and the credit accident and sickness insurance charge specified above is agreed to, only if a charge is shown in the appropriate space and/or spaces above (4 and/or 5) and the name of the buyer to be insured is set forth in the space immediately below prior to the execution of this contract. The insurance is for the term of the indebtedness and the life insurance provides benefits equal to the amount owed and the accident and sickness insurance provides benefits for a covered disability equal to the monthly instalment.

PRINT NAME OF BUYER TO BE INSURED

(J) Buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Credit Contract and both accept liability, whether separated or divorced, for all purchases of family necessities purchased herein before notice is sent to seller by certified mail. This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CREDIT CONTRACT

W. T. GRANT COMPANY

(Buyer)

By

(Co-Buyer)

SC-14 CONN. (WTG 63638) 4/1/68

ONLY COPY AVAILABLE

ACCOUNT NUMBER



GRANT'S CREDIT PLAN

SELLER: W. T. GRANT COMPANY

NEW YORK, N. Y. 10018

20

Seller's Place of Business _____

DATE _____

Buyer(s) _____ FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME _____

Buyer's
Residence _____

NO. AND STREET OR ROAD AND ROUTE _____

CITY _____

STATE _____

ZIP CODE _____

Weekly Income _____

Employer _____

NOTE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. You may prepay this contract at any time before final instalment is due. 4. You may receive rebate credit of unearned finance charge and charge(s) for insurance(s) if any, in accordance with the sum of the finance charge method. When such rebate is less than \$1, no rebate will be made. 4. You may at any time return unused coupons to the store where purchased and receive a full credit refund for the face amount thereof plus a complete finance charge on the unused coupons. A like adjustment is made on insurance charges, if any. 5. If a coupon book (unused or partially used) is lost, destroyed or stolen, the company will, on prompt notice of such mishap, replace the lost coupons and post the unpaid balance due by deducting therefrom the face value of the coupons missing and all finance charge thereon. Replacement or adjustment will usually be at the buyer's option; however, the seller may in its sole discretion adjust upon account adjustment. 6. If the amount owed for the coupons is paid within 30 days of the date the coupon book is first redeemed, no finance charge will be imposed. 7. A buyer has a choice of purchasing a coupon book in denominations of \$20 to \$200.

By making the W. T. Grant Company to make this sale, the buyer (herein called, whether one or more, the "buyer" represents that information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the merchandise and/or merchandise as listed below upon the following terms and conditions:

QUANTITY	DESCRIPTION OF GOODS OR SERVICES	PRICE	SERIAL NO.
1. Cash price of goods		7. Amount financed (the sum of lines 5, 6(a) and (b))	
2. Cash down payment		8. FINANCE CHARGE	
3. Unpaid balance of cash price (1 minus 2)		9. Deferred payment price (the sum of lines 1, 4, 5(a), (b) and 8)	
4. Property insurance (if selected, based on 1)		10. Total of payments (7 plus 8) (Time balance)	
5. Total of 3 plus 4		The Buyer agrees to pay to the Seller the "Total of Payments" shown above [10] in _____ equal monthly instalments of \$ _____ and one final instalment of _____ starting on _____ and all subsequent instalments on the same day of each consecutive month until paid in full. When a coupon book is purchased the payment obligation will be the same as set forth above except that the first payment date shall be 30 days from the date the coupons are first exchanged for specific merchandise.	
6. Other insurance charges:			
(a) Credit life (if selected)			
(b) Accident & sickness (if selected)			

Payments due hereunder are to be made to the W. T. Grant Company at _____

STORE ADDRESS _____

ANNUAL PERCENTAGE RATE _____ %

The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the Country or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to and a purchase money security interest in such merchandise until all amounts due hereunder have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than (1) month after such default, an amount calculated at the rate of (5) cents for each dollar of the instalments so in default, or the sum of (5) dollars, whichever is less (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder a further amount equal to fifteen (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid total of payments shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment at any amount then remaining unpaid hereunder or constitute a waiver of any of the rights of the seller; (H) Buyer if over 21 and married, represents having authority to execute and sign this Retail Instalment Credit Contract.

This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

CREDIT APPROVAL STAMP

INSURANCE AGREEMENT

The purchase of credit life insurance and accident and sickness insurance alone, property insurance alone, OR all 3 types of coverage, is voluntary and not required for credit. The cost of each type of insurance for the term of the contract is listed below and you may select the coverage you desire by checking the appropriate box and signing and inserting the date where indicated. If no box is checked and this insurance agreement is unsigned, no coverage will be provided. Print the name of the insured only when credit life and accident and sickness insurance is selected. Property insurance may be obtained by you through any person of your choice.

☐ I wish Property \$ _____
☐ I wish Credit Life and Accident & Sickness \$ _____
TOTAL \$ _____

The name of the insured is _____

Date _____ Signed **X** _____

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT CREDIT CONTRACT.

W. T. GRANT COMPANY

X _____
(Buyer)

By _____

(Co-Buyer)

14 CONN. (WTD 63636)
TL-3 1/71

ONLY COPY AVAILABLE

retail instalment sales contract

GRANTS "CHARGE-IT" PLAN

SELLER: W. T. GRANT COMPANY, 1441 BROADWAY, NEW YORK, N. Y. 10018

DATE

Buyer(s) _____
FULL NAME OF HUSBAND (IF MARRIED)

WIFE'S FIRST NAME

Buyer's Residence _____
NO. AND STREET OR ROAD AND ROUTE

CITY

STATE

ZIP CODE

Employer _____ Weekly Income _____

NOTICE TO BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract. 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the credit service charge, charge for credit life insurance, if selected, and charge for accident & sickness insurance, if selected.

To induce W. T. Grant Company to make this sale, the buyer (therein called, whether one or more, the "buyer") represents that the information submitted in applying for this account is accurate and hereby buys from the seller and the seller sells the goods, or services described below upon the following terms and conditions:

QUANTITY	DESCRIPTION	PRICE	SERIAL NO.
1. Cash sale price			
2. Down payment			
3. Balance (1 minus 2)			
4. Credit service charge			
5. Principal balance (3 plus 4)			
6. Charge for Credit Life Insurance (if selected)			
7. Charge for Credit Accident and Sickness Insurance (if selected)			
8. Time balance (5 plus 6 plus 7)			
9. Previous time balance			
10. Total time balance (8 plus 9)			
		Payable in _____ equal instalments of \$ _____ and on final instalment of \$ _____ starting on _____ and monthly thereafter.	

Payments due hereunder are to be made to the W. T. Grant Company at _____ The buyer agrees to make payments in accordance with the above schedule; and (A) to assume responsibility for the loss, damage or destruction of the merchandise; (B) not to sell, remove from the County or State or encumber the merchandise without the seller's prior written consent; (C) that the seller shall retain title to such merchandise until all amounts due hereunder shall have been paid, and the right to possession in case of default; and (D) that whenever the payment of any instalment may be in default hereunder for at least (10) days the buyer shall pay to the seller, not later than one (1) month after such default, an amount calculated at the rate of five (5) cents for each dollar of the instalments so in default, or the sum of five (5) dollars, whichever is less; (E) that if seller refers this contract to an attorney not a salaried employee of the seller for collection, buyer agrees to pay in addition to the amount then remaining due hereunder, a further amount equal to ten (15) per cent of the amount due and payable, plus court costs; (F) that upon default in any payment hereunder the entire unpaid balance shall at seller's election become due and payable; (G) that the acceptance by the seller of any payment in a lesser amount or after a default by the buyer hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the seller; (H) that Group Term Life Insurance under a group creditors insurance policy procured by the seller is selected, and the credit life insurance charge specified above is agreed to; (I) that Accident and Sickness Insurance under a group creditors accident and sickness policy procured by the seller is selected and the credit accident and sickness insurance charge specified above is agreed to, only if a charge is shown in the appropriate space and/or spaces above (6 and/or 7) and the name of the buyer to be insured is set forth in the space immediately below prior to the execution of this contract.

PRINT NAME OF BUYER TO BE INSURED

(1) Buyer, if over 21 and married, represents having authority from spouse to sign this Retail Instalment Sales Contract and both accept liability, whether separated or divorced, for all purchases of family necessities purchased herein before notice is sent to seller by certified mail. This entire agreement to be effective only upon credit approval of W. T. Grant Company's Credit Department.

BUYER ACKNOWLEDGES RECEIPT OF AN EXECUTED COPY OF THIS RETAIL INSTALMENT SALES CONTRACT

W. T. GRANT COMPANY

(Buyer)

By _____

ONLY COPY AVAILABLE (Co-Buyer)

155a - 156a

MOTION FOR PARTIAL SUMMARY JUDGMENT

IN THE
UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

[SAME TITLE]

Plaintiffs respectfully submit that there are no issues of material fact as to Count I, specification (h). Count III and Count XII of the complaint. Plaintiffs therefore move for summary judgment on said Counts, based on the stipulated facts and documents and the other materials submitted in support of their motion for summary judgment on Counts I, II, IX and X, as support for said motion.

PLAINTIFFS

FRANK COCHRAN

By

Frank Cochran
413 Howard Avenue
New Haven, Connecticut 06519
(203) 787-2153

William H. Clendenen, Jr.
David M. Lesser
152 Temple Street
New Haven, Connecticut
(203) 787-1183

Stuart Bear
Zeldes, Needle & Cooper
333 State Street
Bridgeport, Connecticut 06604
(203) 333-9441
Their Attorneys

(Verified by Frank Cochran on May 31, 1973)



PLAINTIFFS' AFFIDAVIT OF MILDRED IVES

AFFIDAVIT

STATE OF CONNECTICUT }
COUNTY OF NEW HAVEN } ss: AT NEW HAVEN

I, MILDRED IVES, being first duly sworn, depose and say:

1. I am a plaintiff in *Ives v. W. T. Grant Company*, and submit this affidavit in support of a motion for summary judgment on several counts of the complaint.

2. I am a citizen of the United States and the State of Connecticut and a resident of New Haven, Connecticut.

3. On August 30, 1971 I entered into a coupon credit installment contract with the defendant W. T. Grant Company. This contract was a printed form for "add-on(s) only". A copy of said contract is attached hereto and incorporated herein.

4. I have had a coupon account ever since 1958, and have received more coupon books many times during that period. The contract of August 30, 1971 was the last time.

5. The contract I signed August 30, 1971 contained, in addition to \$25.00 charged for coupon books, charges for credit life insurance, credit accident and sickness insurance and property insurance. Some how this small amount increased the unpaid balance \$82.12, from \$771.06 to \$860.18.

6. I did not look at all the figures when I signed the contract partly because they are confusing and partly

Plaintiffs' Affidavit of Mildred Ives

because they are not located near the place on the contract where I signed the contract.

7. I was not told and did not realize that I could get insurance other than the credit insurance included with the coupons.

8. I was not told what the insurance did or did not cover, nor did I later receive any policies, certificates or brochures describing the coverage.

9. I did not realize that there was a clause in the contract making me pay an extra amount for Grant's attorney. I would not want to agree with that since they aren't paying my attorney.

10. Several other people I know have gotten coupons at Grants. In fact, they often asked if I wanted more coupons.

MILDRED IVES

Mildred Ives

Sworn to and subscribed before me this 6th day of December, 1972.

[illegible]

Commissioner of the Superior Court

RULING ON PENDING MOTIONS
IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

[SAME TITLE]

Brought individually and as a purported class action by three Connecticut customers of defendant W. T. Grant Company, this civil action presents major challenges to a retail shopping credit plan offered by defendant in Connecticut—essentially involving a prospective customer's entry into a written obligation to pay in installments for a book of coupons which in turn may be exchanged for merchandise sold by defendant. The original complaint filed on June 20, 1972 recited numerous claims under federal and state law in support of sweeping prayers for damages and declaratory and injunctive relief, depicting basically one assertedly wrongful course of conduct, "a claimed pattern of fraudulent, deceptive and unconscionable practices allegedly followed by defendant from its initial inducement to the shopper to enter into the plan to its ultimate collection efforts", *Ives v. W. T. Grant Co.*, Civil No. 15,125 (D. Conn. 1973). Now pending are:

1. Plaintiffs' motion for class action certification pursuant to Rule 23(c)(1), Fed. R. Civ. P., confined to a request that the claim for declaratory and injunctive relief be ordered maintained as a class action under Rule 23(b)(2), Fed. R. Civ. P.;
2. Plaintiffs' motions for partial summary judgment as to Counts I and II of the substituted complaint (truth in lending, cf. 15 U.S.C. § 1640), Count II (retail installment sales financing disclosure, cf. Conn. Gen. Stat. §42-87),

Ruling on Pending Motions

Counts IX, X and XII (usury, cf. Conn. Gen. Stat. §§36-243, 37-4), and for alternative relief by preliminary injunction;

3. Defendant's motion to dismiss Counts I and II for lack of jurisdiction; and

4. Defendant's renewed motion to dismiss all counts other than Counts I and II for lack of jurisdiction or failure to state a claim.

I. JURISDICTION

Plaintiffs contend, *inter alia*, that the coupon contract forms employed by defendant fail in many respects to conform with the requirements of state regulations which implement Connecticut's Truth In Lending Act, Conn. Gen. Stat. §36-393, *et. seq.*, and the merits and jurisdictional status of the truth in lending allegations are central elements of the parties' controversy. Defendant's current motion to dismiss Counts I and II of the complaint understandably disputes the existence of federal subject matter jurisdiction over such apparent state law claims absent sufficient evidence of record to support a finding of diversity jurisdiction, cf. 28 U.S.C. §1332, but the Court adheres to the reasoning which impelled previous rejection of an identical jurisdictional objection in *Wolf v. The H. P. Hallock Co.*, Civil No. 15,675 (D. Conn. 1973), set forth at length as follows:

"Curiously enough, plaintiffs' truth in lending allegations state a federal claim. The Connecticut statute and regulatory scheme were modeled upon the federal Truth In Lending Act, 15 U.S.C. §1601, *et seq.*, a development at the state level clearly contemplated and encouraged by the federal Act, and

Ruling on Pending Motions

qualified the state for the grant in 1970 of an exemption from application of federal requirements to state-regulated transactions. Cf. 15 U.S.C. §1633. By federal regulation, however, the exemption is treated as partial, preserving the District Court's jurisdiction to entertain civil liability claims under 15 U.S.C. §1640 and rendering the state-imposed standards of disclosure the federal disclosure requirements at issue in such litigation. Cf. 12 CFR §226.12 (1972). Defendant's motion to dismiss essentially challenges the validity of that regulation.

"The Federal Reserve Board is charged with broad responsibility and power to 'prescribe regulations to carry out the purposes' of the federal Truth In Lending Act, cf. 15 U.S.C. §1604—i.e., 'to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit', cf. 15 U.S.C. §1601. The Act provides an explicit remedy of private suit against creditors failing to make requisite credit cost disclosures, cf. 15 U.S.C. §1640(a), and expressly confers concurrent federal and state court jurisdiction over such civil actions, cf. 15 U.S.C. §1640(e). Violations of the Act may also result in administrative action or criminal prosecution. Cf., e.g., 15 U.S.C. §§1607, 1611. But once the Board has determined that a particular state's laws impose 'substantially similar' disclosure requirements, and that 'there is adequate provision for enforcement' at the state level, the Board is compelled to issue an exemption of the state-regulated transactions 'from the requirements' of the federal Act. Cf. 15 U.S.C. §1633.

Ruling on Pending Motions

"As defendant contends, it might have been supposed from the language of §1633 that Congress intended a total shift of regulating and enforcement responsibilities in any state affording consumers protection equivalent to that under the federal Act, rendering the state courts and other local governmental agencies wholly responsible for enforcing credit cost disclosure standards established as a matter of state law and made exclusively applicable by federal exemption. Absent clear legislative direction that exemption is to nullify the express grant of federal jurisdiction to hear private truth in lending suits under §1640, however, the Federal Reserve Board has interpreted §1633 as requiring only that a qualifying state be vested with the sole administrative and criminal enforcement functions, with private citizens remaining free to pursue civil liability claims in either state or federal courts. Cf. 12 CFR § 226.12 (1972). If perhaps imperfect federalism, the Board's construction must be accorded great deference by this Court, see *N. C. Freed Co., Inc. v. Board of Governors of the Federal Reserve System*, 473 F.2d 1210, 1217 (2 Cir. 1973), cf. *Mourning v. Family Publications Service, Inc.*, 411 U.S. 356 (1973), and is not inconsistent with the Act's paramount objective of ensuring meaningful disclosure of credit terms to the consumer. Implementation of the Act's policies may indeed be greatly facilitated by preservation of concurrent state and federal jurisdiction over civil actions in exempted states, since private suit is obviously meant to furnish the major impetus to and means of enforcing truth in lending requirements, cf. *Ratner v. Chemical Bank New York Trust Co.*, 329 F. Supp. 270, 280 (S.D.N.Y. 1971), and the

Ruling on Pending Motions

consumer plaintiff with a choice of forum has the distinct incentive of being able to elect whichever forum he considers in a position to resolve his claim more expeditiously and under more advantageous procedures. Moreover, necessarily prerequisite to total federal withdrawal from enforcement efforts in any state would be in part the Board's determination that the state's judicial framework and applicable civil procedures adequately provided for enforcement of credit disclosure standards through private suit, cf. 15 U.S.C. §1633; the Board could reasonably have concluded that Congress had not invited a federal administrative body to undertake the potentially invidious task of attempting thorough assessment of the comparative merits of a state's judicial arm, and certainly could have assumed that Congress would not sanction the only genuine alternative, a merely perfunctory approval.

"Defendant also maintains that the challenged regulation, if authorized by Congress, is constitutionally infirm in purporting to expand federal jurisdiction to a class of cases involving citizens of the same state and arising wholly under state law. Cf. U. S. Const., Art. III, Sec. 2. But plaintiffs' truth in lending claim 'arises under' the civil liability provisions of 15 U.S.C. §1640, to which '(n)o . . . exemption shall be deemed to extend', cf. 12 CFR §226.12(c)(1) (1972), as plaintiffs' express jurisdictional invocation of 15 U.S.C. §1640(e) sufficiently indicates. That a creditor's alleged breach of the continuing federally-imposed duty to disclose will be tested by reference to Board-approved state laws which comprise the federal disclosure requirements for purposes of

Ruling on Pending Motions

suit under §1640 is of no constitutional moment *per se*; a contrary holding would both ignore the reality that the 'state' laws are essentially a federal product, fashioned after the federal statute and regulations, and improperly disregard the Board's exercise of judgment in accepting protection regulation exempted states at least 'substantially similar' to the federal requirements generally applicable in the other states, an action surely within the agency's broad rule-making authority, cf. 15 U.S.C. §1604, *Mourning v. Family Publications Service, Inc., supra*."

If the Board's grant of partial exemption is in conflict with the intent of Congress, moreover, § 1633 would then presumably mandate pre-exemption assessment of the state's "adequate provision for enforcement" by private civil action; since the Board obviously has not undertaken that task, irrelevant to a Board decision under the existing regulation, Connecticut's 1970 exemption would be of doubtful validity in any event.

Defendant also disputes the correctness of plaintiffs' additional invocation of this Court's diversity jurisdiction under 28 U.S.C. § 1332. While the parties' stipulation on file adequately indicates the requisite diversity of citizenship, as plaintiffs are apparently Connecticut citizens and defendant is a Delaware corporation with its principal place of business in the State of New York, existence of the jurisdictional amount in controversy is neither conceded nor presently established. As the truth in lending counts have been considered a federal claim sufficient alone to support initial exercise of pendent jurisdiction over the unmistakable state law claims in suit, however, see *Ives v. W. T. Grant Co., supra*, cf. *United Mine Workers v. Gibbs*, 383

Ruling on Pending Motions

U.S. 715, 725 (1966), it has been unnecessary to determine whether litigation expenses incurred subsequent to the entry of plaintiffs' counsel into private practice are a proper element of recovery and of such magnitude as to satisfy § 1332's jurisdictional requirement for each party plaintiff of an amount in controversy exceeding \$10,000.00, cf. *Ives v. W. T. Grant Co.*, *supra*, compare *Givens v. W. T. Grant Co.*, 457 F.2d 612, 614 (2 Cir.), *vacated and remanded on other grounds*, 409 U.S. 56 (1972). At this point, it does not appear to a "legal certainty" that those issues will be resolved against plaintiffs. Cf. *Arnold v. Troccoli*, 344 F.2d 842, 845 (2 Cir. 1965). The Court does entertain serious reservations as to the appropriateness of continued exercise of a merely pendent jurisdiction over the state law claims which will remain open for determination on the merits following the instant motion proceedings, and is of the opinion that plaintiffs should promptly present evidence to establish any right to invoke diversity jurisdiction over such claims pursuant to 28 U.S.C. § 1332.

II. CLASS ACTION STATUS

The named plaintiffs purport to represent a class consisting of "all others similarly situated", i.e.,

"all persons who have signed W. T. Grant retail instalment contracts for the sale of coupons, on which the actual annual percentage rate of interest is greater than twelve percent, in the state of Connecticut (excluding those parties for or against whom the common questions of usury, fraud, unconscionability, deceptive acts or practices, unlawful loans, unenforceable security interests, mail fraud, violation of the Federal Trade Commission Act and violation of the Connecticut Truth-in-Lending Act have

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been adjudicated in any other competent court prior to the date of the filing of this complaint)."

Plaintiffs seek a determination that the suit may be maintained as a class action under Rule 23(b)(2), Fed. R. Civ. P. as to their claims for declaratory and injunctive relief, cf. Rule 23(c)(1), Fed. R. Civ. P. The request is in large part appropriate.

Although plaintiffs have not shown on the present record that their individual "claims . . . are typical of the claims . . . of the class", cf. Rule 23(a)(3), Fed. R. Civ. P., with respect to the alleged misrepresentations which are a significant component of the claims set forth in Counts VI, VII, VIII and XI, or indeed that defendant's allegedly wrongful conduct as described in those counts is "generally applicable to the class", cf. Rule 23(b)(2), Fed. R. Civ. P., the remaining counts (I-V, IX-X and XII-XIII) clearly satisfy the requirements of Rule 23(a) and (b)(2) for the grant or denial of declaratory and injunctive relief to a properly defined class of defendant's coupon contract debtors in Connecticut upon adjudication of the suit.

Of the latter counts, I, II, IV and V present federal claims, and IX, X and XII are fully considered on the merits below. Counts III and XIII are on questionable jurisdictional footing as pendent and unresolved state law claims, and probably not open to class treatment even if diversity jurisdiction is established as to the named parties, cf. *Zahn v. Int'l Paper Co.*, — U.S. —, 42 U.S.L.W. 4087 (1973). The class certified at this point will accordingly be limited to all persons presently indebted to defendant on coupon contracts signed in Connecticut and on which the actual annual percentage rate of interest exceeds twelve percent, excluding those debtors for or against whom the

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common questions presented by Counts I, II, IV, V, IX, X and XII herein have been adjudicated prior to the commencement of the instant action.

In so ruling, the Court is necessarily of the view that the prospective equitable relief sought is of genuine and substantial concern, cf. 3B Moore's Federal Practice ¶ 23.45 [1] at 23-708—23-709 (2d Ed. 1969), and is not a merely secondary aspect of a case "in which the appropriate final relief relates exclusively or predominantly to money damages", Advisory Committee's Note, Proposed Rules of Civil Procedure, 39 F.R.D. 98, 102 (1965), compare *Eisen v. Carlisle & Jacquelin*, 391 F.2d 555, 564 (2 Cir. 1968). Indeed, at least plaintiffs' now-deferred proposition that a class-wide award of damages for truth in lending violations asserted under 15 U.S.C. § 1640 "is superior to other available methods for the fair and efficient adjudication of the controversy", cf. Rule 23(b)(3), Fed. R. Civ. P., would be highly suspect in view of the evident size of the class and the minimum individual damage award compelled by statute when considered with the technical nature of the violations alleged and the class members' apparently adequate individual statutory remedy, see, e.g., *Welmaker v. W. T. Grant Co.*, 365 Supp. 531, 552-554 (N.D. Ga. 1973) (on motion for class certification) cf. *Ratner v. Chemical Bank New York Trust Co.*, 54 F.R.D. 412 (S.D.N.Y. 1972).

The immediate potential obstacle to litigating those claims on behalf of a class is the question of notice to absent class members, for at least in Rule 23(b)(3) class damage suits the Rule in this Circuit is now that plaintiffs must bear the cost of furnishing individual notice to readily identifiable class members, see *Eisen v. Carlisle & Jacquelin*, 479 F.2d 1005, 1009, 1015 (2 Cir.), cert. granted, — U.S. —, 42 U.S.L.W. 3226 (1973) (*Eisen III*), cf. Rule 23(c)(2), Fed. R. Civ. P., and it is evident that

Ruling on Pending Motions

application of the rule to this case would preclude maintenance of the class claims, cf. *Givens v. W. T. Grant Co.*, Civil No. 14,296 (D. Conn. 1971), *vacated on other grounds*, 457 F.2d 612 (2 Cir. 1972). This Court has concluded, however, that formal notice to absent members of a *Rule 23(b)* (2) class is mandatory only when obviously demanded by fundamental considerations of due process, cf. *Lynch v. Household Finance Corp.*, 360 F. Supp. 720, n. 3 at 722 (D. Conn. 1973), e.g., to insure "protection of the members of the class or . . . the fair conduct of the action", cf. *Rule 23(d)(2)*, Fed. R. Civ. P. This is not such a case, for the Court has no doubt that the plaintiff class is well and effectively represented. It cannot be reasonably assumed that *Eisen III* expresses strict notice requirement standards equally applicable to *Rule 23(b)(2)* claims, for such an interpretation would render pointless the explicit suggestion of the Court of Appeals that pursuit of "prospective injunctive relief" under *Rule 23(b)(2)* be considered more frequently as a desirable alternative to mass damage suits under *Rule 23(b)(3)* as involving a "relatively simple and inexpensive" procedure. See *Eisen v. Carlisle & Jacquelin*, *supra*, 479 F.2d at 1020. Since *Eisen III* neither dictates nor counsels wholesale departure from this Court's established approach to notice in *Rule 23(b)(2)* actions, plaintiffs may proceed on the class claims certified herein without providing notice to the class. See, e.g., *Barros v. Walsh*, Civil No. B-482 (D. Conn. 1973). But absent notice, the nature of any equitable relief sought for the class deserves close scrutiny, because the *Eisen III* alternative may not be fairly read as extending beyond the bounds of traditionally prospective relief in equity. Plaintiff's prayer for injunctive relief includes a request for an order compelling the return of monies

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allegedly collected unlawfully. While such an application has formerly been no bar to prosecution of a Rule 23(b)(2) class suit, cf. *Solman v. Shapiro*, 300 F. Supp. 409 (D. Conn.), *aff'd*, 396 U.S. 5 (1969), plaintiffs are in reality seeking extensive class-wide monetary relief; whether the class refund claim is technically denominated a claim for equitable relief or for damages, pursuit of that measure of relief should be accompanied by provision of notice as prescribed by *Eisen III* as long as that decision remains the law of this Circuit.

III. LIABILITY CLAIMS PRESENTED

The following discussion is founded upon undisputed facts disclosed by the record of discovery, the parties' extensive stipulations of fact and law and other documents submitted on motion.

As previously indicated, plaintiffs are Connecticut residents and customers of defendant in Connecticut, and defendant is a Delaware corporation with its principal place of business in the State of New York. Registered to do business in Connecticut, defendant has offered a variety of credit arrangements in connection with its retail sales of merchandise in local stores, and is a creditor within the meaning of federal and state truth in lending legislation, cf. Conn. Gen. Stat. § 36-393(e), 15 U.S.C. § 1602(f).

Under the credit plan at issue, a customer obtains a book or books of coupons which in turn may be exchanged for merchandise sold by defendant; the coupon books have varying total values of \$10.00, \$25.00, \$50.00, \$100.00 or \$200.00, and the coupons may be either exchanged for merchandise at any time or returned for a cash refund. When acquiring a coupon book for the first time or reopening a coupon account, like plaintiff Joyce Chapman, a customer executes

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a form retail installment sales contract, generally labelled a "new and reopened" account agreement, which sets forth the transaction's terms and basically obligates the customer-debtor to pay in monthly installments a total sum consisting of the face value of the coupon book, any attendant credit insurance charges, and finance charges computed on the coupon book's value and any such insurance charges. The monthly installment payment is ordinarily set at the outset at a figure which would result in a paid-up account within twenty-four to thirty months. Prior to January 1, 1971, the customer's obligation to pay accrued immediately upon entry into the installment contract; thereafter, as in plaintiff Joyce Chapman's case, the obligation has been triggered by the first exchange of a coupon for merchandise, although the monthly payment obligation which then accrues is based on the full contract amount without regard to the amount of the first actual coupon-merchandise exchange or to the actual period of time over which the coupons are used.

If the debtor chooses to acquire additional coupon books while the original account is still outstanding, like plaintiffs Mildred Ives and Moira Robertson, a substituted "add-on" form installment sales contract is signed. Typically, the prior contract balance (less an unearned finance charge rebate), plus the sum of the new coupons issued (together with any new insurance charges), constitute an amount on which a new overall finance charge is assessed, and the grand total is again made payable in monthly installments, with the first payment due thirty days from the add-on contract's execution—again without regard to any actual use or rate of use of the new coupons.

There are approximately 27,000 coupon installment sales contracts outstanding in Connecticut.

*Ruling on Pending Motions**A. Truth in Lending*

For purposes of the summary judgment proceedings, plaintiffs have pointed to five of the many truth in lending deficiencies allegedly manifested by defendant's standard coupon contracts as catalogued in the substituted complaint, itself filed as of right prior to any answer interposed by defendant, cf. Rule 15(a), Fed. R. Civ. P., 3 Moore's Federal Practice ¶ 15.07[2] at 850-852 (2d Ed. 1972), and apparently keyed to a strikingly similar record presented in a hearing on the merits in *Welmaker v. W. T. Grant Co.*, *supra*, at 533-551. As in *Welmaker*, defendant has introduced impressive evidence of its attempted compliance with the law through careful review of the federal Act and regulations and consultations with various employees of the Federal Reserve Board and Federal Trade Commission, urging its statutory defense against imposition of liability in damages for a truth in lending violation on grounds that "the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error", cf. Conn. Gen. Stat. § 36-407(c), 15 U.S.C. § 1640(c). The defense tendered, however, is both irrelevant to the limited grant of equitable relief presently sought, cf. *Welmaker*, *supra* at 545, and in any event premised upon a mistaken interpretation of the statute, for the defense is not a question of the creditor's general "good faith" but of inadvertent clerical error not here involved, see *Ratner v. Chemical Bank New York Trust Co.*, *supra*, 329 F. Supp. at 281-282, *contra*, *Welmaker*, *supra* at 543-544. The issue presented is simply whether defendant's standard form contracts fail to satisfy the disclosure requirements asserted.

*Ruling on Pending Motions*1. *"Unpaid Balance"*

Defendant uses the term "amount financed" to describe the disclosed sum which must by regulation be designated as the "unpaid balance", cf. Conn. Reg. § 36-395-7(c)(5), 12 CFR §226.8(c)(5), and its failure to employ the prescribed terminology is a violation of the truth in lending statute. *Welmaker, supra* at 536-537.

2. *"Finance Charge"*

Defendant's add-on contract discloses a figure which is apparently the charge for financing a new coupon book and extending the payment period on the previous balance, an unlabelled "net" finance charge, as the end product of a stated "finance charge" less a stated "rebate". While the cost of credit for the add-on transaction may be revealed, the positioning and the failure expressly to designate that sum as the genuine finance charge are confusing and fall short of the requisite clear, conspicuous and meaningful disclosure of credit terms, cf. Conn. Reg. §§ 36.395(a), 36-395-7(c)(8)(A), 12 CFR §§226.4(a), 226.6(c), *Welmaker, supra* at 535.

3. *Itemization of Finance Charge*

The parties dispute whether an itemized breakdown of finance charge components is compelled by Conn. Reg. §36-395-7(c)(8)(A)'s direction to disclose "the total amount of the finance charge, with a description of each amount included using the term 'Finance Charge'". Perceiving no meaningful mode of "description of each amount included" absent individual identification, the Court agrees with plaintiffs that itemization is required. If defendant is correct in further asserting that its finance charge is composed

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of but one element, a purported "time-price differential", that characterization should be spelled out on the face of the contract; as noted above, of course, the add-on contract does not even clearly label as "finance charge" the total amount intended to be shown as the cost of credit.

4. Disclosure of Non-Rebated Insurance Premiums

In an add-on contract, the customer-debtor is given an option to secure credit insurance with respect to the newly-acquired coupons; if charges were assessed in the former contract for insurance similarly elected in the original coupon book transaction, those charges are not rebated, but simply carried forward as part of the outstanding prior balance—which itself forms a portion of the total add-on agreement balance on which a new finance charge is fixed after subtraction of unearned finance charges on the old debt. While entry into the substituted contract would seem as a matter of law to call for refund of the unearned premiums through discharge of indebtedness "due to renewal or refinancing prior to the scheduled maturity date" of the original contract debt, cf. Conn. Gen. Stat. § 38-253, see *Wel-maker, supra* at 537-538, defendant and the credit insurance carrier appear to treat the insurance coverage applicable to the first contract as continuing through the term of the second. Even if that arrangement is lawful, it is not voluntary, because the customer is provided no opportunity to authorize or to refuse insurance coverage on the old coupon debt balance for the extended term afforded by the add-on contract; accordingly, the unearned and non-rebated premiums must be specifically disclosed as an additional element of the add-on agreement's finance charge. Cf. Conn. Reg. §§36-395-3(a), 36-395-7(c)(8)(A); 12 CFR §226.4(a)(5).

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5. *Description of Claimed Security Interest*

Defendant's contracts claim on their face a retained "purchase money security interest" in "merchandise", although only coupon books are described as the "goods" purportedly sold. The books of coupons can hardly be regarded "goods" or merchandise in any ordinary sense, cf. *W. T. Grant Co. v. Walsh*, 100 N.J. Super. 60, 241 A.2d 46, 48 (D. Ct. Middlesex Cty. 1968), and the contract forms utilized certainly do not identify in advance the retail merchandise which may or will be purchased from defendant with the coupons. Defendant now disclaims by affidavit any "security interest in either the coupons or the merchandise for which the coupons are exchanged", but the printed contract speaks for itself and is in patent violation of the duty to delineate clearly the meaning and effect of any security interest clause, Conn. Reg. §36-395-7(b)(5).

B. *Usury*

Defendant's coupon credit plan involves finance charges disclosed by contract as exceeding an annual percentage rate of twelve percent, and is challenged as usurious under Connecticut law, which provides that "(n)o . . . corporation . . . shall . . . loan money to any person and . . . charge . . . therefor interest at a rate greater than twelve per cent per annum", cf. Conn. Gen. Stat. §37-4. As defendant concedes that it is not licensed as a small loan business in Connecticut to charge more than twelve percent interest, cf. Conn. Gen. Stat. §36-225, plaintiffs additionally assert a violation of Conn. Gen. Stat. §36-243, which recites that

“(n)o . . . [unlicensed] corporation . . . shall, directly or indirectly, charge, contract for or receive any interest, charge or consideration greater than twelve

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per cent per annum upon the loan, use or forbearance of money or credit of the amount or value of one thousand eight hundred dollars or less. . . .”

Furnished with a record of undisputed fact substantially identical to that submitted in *Inson v. W. T. Grant Co.*, 4 CCH Consumer Credit Guide 199,084, p. 88,905 (Minn. D. Ct. Ramsey Cty. 1973), the Court is in full agreement with the material aspects of the state court's analysis and its ultimate conclusion that the coupon plan is indeed usurious, the contract transaction a mere form for what is in substance a loan of the equivalent of money for an excessive return, cf. also *W. T. Grant Co. v. Walsh*, *supra*. The customer purchases no goods by contract; he receives scrip to be used like cash to buy merchandise, and for that immediate credit agrees to pay back over an extended time period the principal amount represented by the face value of the coupons, together with a steep surcharge for the delay permitted in satisfying the account debt. The profit return is set at a rate well over twelve percent in each of the three executed contracts before the Court, and defendant has not argued that the annual percentage rates as to the three named plaintiffs are either untypical or inadvertent. cf. *In re Feldman*, 259 F. Supp. 218, 221 (D. Conn. 1966). This Court is of the view that a narrow interpretation of either Connecticut statute to exclude application of the law of usury to the instant credit device is without warrant.

C. Retail Installment Sales Financing Disclosure

Plaintiffs' original complaint alleged in Count III that defendant's contracts did not furnish disclosures required by Connecticut law with respect to a "retail instalment contract", cf. Conn. Gen. Stat. § 42-84, i.e., an "agreement to

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pay the retail purchase price of goods . . . in instalments", cf. Conn. Gen. Stat. § 42-83(e), but defendant's initial motion to dismiss strongly challenged the applicability of the statute, see *Ives v. W. T. Grant Co.*, *supra*, and the parties have now stipulated that the coupons are indeed not "goods" within the meaning of the legislation invoked by plaintiffs, cf. Conn. Gen. Stat. § 42-83(b). Count III of the substituted complaint abandons the original claim and asserts instead that defendant's contracts fail clearly to disclose security interest information required by Conn. Gen. Stat. § 42-87 for an "instalment loan contract", i.e., "any agreement to repay in instalments the amount loaned . . . for the purpose of paying the retail purchase price of goods and by virtue of which a security interest . . . is taken in the goods", cf. Conn. Gen. Stat. § 42-83(f). The claim parallels the previously discussed truth in lending contention that defendant's contracts do not adequately describe the meaning and significance of the security interest language on the face of the printed agreements. In this context, however, the very applicability of the Connecticut statute turns upon an element vigorously disputed—that defendant in fact asserts a security interest in any goods obtained with the coupons. Defendant represents by sworn affidavit that it does not, and explains the confusion by stating that for purposes of economy and convenience it simply uses in coupon transactions the same form contract employed in a "special purchase" plan under which one or two major articles of merchandise are directly financed, and in which title to those articles is retained pending full payment. The present record precludes entry of summary judgment for plaintiffs, cf. Rule 56(c), Fed. R. Civ. P., and does not support an alternative grant of preliminary injunctive relief.

The applicability of the statute is also called into question by defendant's renewed motion to dismiss as to Counts III

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and IV, the latter a distinct constitutional challenge to Conn. Gen. Stat. § 42-91, which expressly contemplates provision for collection attorney's fees of up to fifteen percent of the debt as a term of an "instalment loan contract" and is regarded by plaintiffs as the sole authority for defendant's standard fifteen percent attorney's fee clause in the coupon contracts, a claim which this Court has viewed as potentially susceptible of resolution on state law grounds, see *Ives v. W. T. Grant Co.*, *supra*. Construing this aspect of the renewed motion to dismiss as a request for summary judgment by defendant, cf. Rule 12(b), Fed. R. Civ. P., the existing discrepancy between the coupon contracts' express indication of a reserved security interest and defendant's sworn disclaimer alone bars determination of the issues presented by Counts III and IV as a matter of law in defendant's favor, cf. *United States v. Diebold, Inc.*, 369 U.S. 654, 655 (1962).

IV. FURTHER PROCEEDINGS

All issues raised by plaintiffs' pending motion have been fully reviewed, since those questions not within the strict contemplation of the Court's initial pretrial motion scheduling order but squarely presented by the record have been properly submitted on the papers under Local Rule 10(a)(1) (1972) without subsequent objection by defendant. Only the questions of jurisdiction and of the sufficiency of Counts III and IV have been considered in reviewing defendant's motions to dismiss, however, leaving for future decision the sufficiency or insufficiency of Counts V, VII and VIII. As to those last three counts, defendant's renewed motion to dismiss for failure to state a claim must be treated as an application for summary judgment in view of the Court's prior opinion that plaintiffs were entitled to develop a fac-

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tual record pertinent to defendant's challenge, see *Ives v. W. T. Grant Co.*, *supra*; plaintiffs have apparently not yet had clear opportunity to present the relevant facts, and a ruling on the status of Counts V, VII and VIII must accordingly be deferred, cf. *Dale v. Hahn*, 440 F.2d 633, 638 (2 Cir. 1971), Rule 12(b), Fed. R. Civ. P. At the request of either defendant or plaintiffs, a pretrial conference will be promptly assigned to consider immediate scheduling of such proceedings as will be necessary to resolve all issues remaining in suit by further motion proceedings or hearing on the merits.

V. CONCLUSION

For the reasons previously stated, it is hereby ordered that:

1. Plaintiffs' motion for class action certification, pursuant to Rule 23(c)(1), Fed. R. Civ. P., is granted in that the action may proceed as a class action under Rule 23(b)(2), Fed. R. Civ. P. to the extent authorized above;

2. Defendant's motion to dismiss Counts I and II for lack of subject matter jurisdiction, pursuant to Rule 12(b)(1), Fed. R. Civ. P., is denied;

3. Defendant's renewed motion to dismiss the remaining counts of the complaint for lack of jurisdiction or failure to state a claim, pursuant to Rule 12(b)(1) and (6), Fed. R. Civ. P., is denied as to Counts IX, X and XII, and denied without prejudice on the present record as to Counts III-VIII, XI and XIII;

4. Plaintiffs' motions for partial summary judgment, pursuant to Rule 56, Fed. R. Civ. P., are granted as to Counts I, II, IX, X and XII, and denied as to Count III; and

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5. Plaintiffs' alternative application for preliminary injunctive relief is in all respects denied.

There being no just reason for delay, and plaintiffs being entitled to partial summary judgment as a matter of law in the absence of genuine issues of material fact, cf. Rules 54(b) and 56(c), Fed. R. Civ. P., judgment shall enter for plaintiffs and the class they represent:

1. Declaring defendant liable under 15 U.S.C. § 1640 in the limited respects set forth above, and in violation of Conn. Gen. Stat. §§ 36-243 and 37-4; and

2. Enjoining defendant from collecting any further payments under outstanding coupon contracts made in Connecticut, and from entering hereafter into any coupon contracts in Connecticut on which the annual percentage rate exceeds twelve percent and without first providing required truth in lending disclosures.

The need for injunctive relief has been carefully weighed in the light of defendant's express representation that the coupon credit plan was discontinued in Connecticut as of January 1, 1973 pending final judgment herein, of defendant's evident consent to a stipulated cease and desist order issued by the Federal Trade Commission in the fall of 1973, and of the parties' belated efforts to stipulate to issuance of a preliminary injunction herein prohibiting collection attempts by defendant with respect to a number of outstanding contracts pending termination of this suit. The Court's conclusion on all of the circumstances presented by the parties' dispute is that defendant's avowed unilateral and temporary discontinuance of the plan provides inadequate assurance against future violations, cf. *United States v. W. T. Grant Co.*, 345 U.S. 629, 632-633 (1953), that the administrative consent order is too circumscribed to be

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regarded as a satisfactory alternative to direct action by this Court, and that the difficulty apparently experienced by the parties in agreeing to any partial restraint on collection proceedings pending the outcome of the case strongly suggests the prudence of extending unambiguous and affirmative class-wide relief.

Absent stipulated submission of a form of judgment to the Clerk within one week following entry of the within memorandum and order, the order for judgment in accordance with the foregoing opinion is to be promptly settled on notice.

Dated at New Haven, Connecticut, this 13th day of March 1974.

ARTHUR H. LATIMER
U. S. Magistrate

So ORDERED

JON O. NEWMAN
United States District Judge

PARTIAL SUMMARY JUDGMENT

IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

[SAME TITLE]

This cause having come on to be heard upon:

(1) Plaintiffs' motion for certification as a class action limited to their claims for declaratory and injunctive relief;

(2) Plaintiff's motions for partial summary judgment as to Counts I, II, III, IX, X and XII of the complaint, and for alternative relief by preliminary injunction;

(3) Defendant's motion to dismiss Counts I and II for lack of subject matter jurisdiction;

(4) Defendant's renewed motion to dismiss all counts other than Counts I and II for lack of subject matter jurisdiction or failure to state a claim;

and attorneys for the respective parties having been heard, this Court having filed its memorandum opinion on March 19, 1974, and there being no just reason for delay, it is ORDERED, ADJUDGED AND DECREED:

(1) That this action be and is hereby maintained as a class action under Rule 23(b)(2), Fed. R. Civ. P. as to the

Partial Summary Judgment

claims for declaratory and injunctive relief. The class represented by the plaintiffs herein consists of

all persons presently indebted to the W. T. Grant Company on coupon contracts signed in Connecticut and on which the actual annual percentage rate of interest exceeds twelve percent, excluding those debtors for or against whom the common questions presented by Counts I, II, IV, V, IX, X and XII have been adjudicated prior to the commencement of the instant action.

(2) That plaintiffs' motions for partial summary judgment be and are hereby granted as Counts I, II, IX, X and XII and denied as to Count III;

(3) That plaintiffs' alternative application for preliminary injunction relief is in all respects denied;

(4) That defendant's motion to dismiss Counts I and II for lack of subject matter jurisdiction, pursuant to Rule 12(b)(1), is denied;

(5) That defendant's renewed motion to dismiss the remaining counts of the complaint for lack of subject matter jurisdiction or failure to state a claim is denied as to Counts IX, X and XII and denied without prejudice on the present record as to Counts III-VIII, XI and XIII;

(6) That Defendant be and hereby is declared liable for violations of 15 U.S.C. § 1640 in the following respects:

a. The defendant failed to employ the prescribed term "unpaid balance", Conn. Reg § 36-395-7(c)(5); 12 C.F.R. § 226.8(c)(5);

b. The defendant failed clearly, conspicuously and meaningfully to disclose the "finance charge",

Partial Summary Judgment

Conn. Reg. §§36-395-3(a), 36-395-7(a)(8)(A); 12 C.F.R. §226.4(a), §226.2(c);

c. The defendant failed to describe each amount included within the finance charge, Conn. Reg. §36-395-7(c)(8)(A);

d. The defendant failed to disclose the unearned and non-rebated insurance premiums as an additional element of the finance charge; Conn. Reg. §§36-395-3(a), 36-395-7(c)(8)(A); 12 C.F.R. §226.4(a)(5);

e. The defendant failed to disclose clearly the meaning and effect of the security interest clause, Conn. Reg. § 36-395-7(b)(5).

(7) That the defendant be and is hereby permanently enjoined from entering hereafter into any coupon contracts in Connecticut without first providing required truth-in-lending disclosures.

(8) That the defendant be and hereby is declared liable for violations of Sections 36-243 and 37-4 of the Connecticut General Statutes.

(9) That the defendant be and is hereby permanently enjoined from collecting any further payments under outstanding coupon contracts made in Connecticut, and from entering hereafter into any coupon contracts in Connecticut on which the annual percentage rate exceeds twelve per cent.

Dated at New Haven, Connecticut, this 25 day of April, 1974.

JON O. NEWMAN
United States District Judge

NOTICE OF APPEAL

IN THE
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

[SAME TITLE]

Notice is hereby given that the W. T. Grant Company, the above named defendant, hereby appeals to the United States Court of Appeals for the Second Circuit from the final judgment entered in this action on the 25th day of April, 1974.

Dated at New Haven, Connecticut this 8th day of May, 1974.

WILLIAM J. EGAN
of Wiggin & Dana
P. O. Box 1832
205 Church Street
New Haven, Connecticut 06508
Attorney for the W. T. Grant
Company

(Verified by William J. Egan on May 8, 1974)

EXHIBITS

UNITED STATES DISTRICT COURT

IN THE

DISTRICT OF CONNECTICUT

Civil Action No. 15,675

JOHN WOLF and PATRICIA WOLF, on behalf of themselves
and all others similarly situated,

Plaintiffs,

vs.

THE H. P. HALLOCK COMPANY,

Defendant.

RULING ON DEFENDANT'S MOTION TO DISMISS

Plaintiffs bring this civil action for damages and injunctive relief individually and on behalf of a proposed class of all others "who have signed a retail instalment contract payable to Defendant", alleging that such contracts fail to set forth the disclosures required under Connecticut's truth in lending statute, Conn. Gen. Stat. § 36-393, *et seq.*, and the state legislation regulating financing of retail installment sales, Conn. Gen. Stat. § 42-83, *et seq.* The parties are all Connecticut citizens, cf. 28 U.S.C. § 1332, and defendant has moved to dismiss for lack of federal subject matter jurisdiction, pursuant to Rule 12(b)(1), Fed. R. Civ. P.

Curiously enough, plaintiffs' truth in lending allegations state a federal claim. The Connecticut statute and regulatory scheme were modeled upon the federal Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*, a development at the state

level clearly contemplated and encouraged by the federal Act, and qualified the state for the grant in 1970 of an exemption from application of federal requirements to state-regulated transactions. Cf. 15 U.S.C. § 1633. By federal regulation, however, the exemption is treated as partial, preserving the District Court's jurisdiction to entertain civil liability claims under 15 U.S.C. § 1640 and rendering the state-imposed standards of disclosure the federal disclosure requirements at issue in such litigation. Cf. 12 CFR § 226.12 (1972). Defendant's motion to dismiss essentially challenges the validity of that regulation.

The Federal Reserve Board is charged with broad responsibility and power to "prescribe regulations to carry out the purposes" of the federal Truth In Lending Act, cf. 15 U.S.C. § 1604—i.e., "to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit", cf. 15 U.S.C. § 1601. The Act provides an explicit remedy of private suit against creditors failing to make requisite credit cost disclosures, cf. 15 U.S.C. § 1640(a), and expressly confers concurrent federal and state court jurisdiction over such civil actions, cf. 15 U.S.C. § 1640(e). Violations of the Act may also result in administrative action or criminal prosecution. Cf., e.g., 15 U.S.C. §§ 1607, 1611. But once the Board has determined that a particular state's laws impose "substantially similar" disclosure requirements, and that "there is adequate provision for enforcement" at the state level, the Board is compelled to issue an exemption of the state-regulated transactions "from the requirements" of the federal Act. Cf. 15 U.S.C. § 1633.

As defendant contends, it might have been supposed from the language of § 1633 that Congress intended a total

shift of regulating and enforcement responsibilities in any state affording consumers protection equivalent to that under the federal Act, rendering the state courts and other local governmental agencies wholly responsible for enforcing credit cost disclosure standards established as a matter of state law and made exclusively applicable by federal exemption. Absent clear legislative direction that exemption is to nullify the express grant of federal jurisdiction to hear private truth in lending suits under § 1640, however, the Federal Reserve Board has interpreted § 1633 as requiring only that a qualifying state be vested with the sole administrative and criminal enforcement functions, with private citizens remaining free to pursue civil liability claims in either state or federal courts. Cf. 12 CFR §226.12 (1972). If perhaps imperfect federalism, the Board's construction must be accorded great deference by this Court, see *N. C. Freed Co., Inc. v. Board of Governors of the Federal Reserve System*, 473 F.2d 1210, 1217 (2 Cir. 1973), cf. *Mourning v. Family Publications Service, Inc.*, ——— U.S. ———, 41 U.S.L.W. 4517, 4522 (1973), and is not inconsistent with the Act's paramount objective of ensuring meaningful disclosure of credit terms to the consumer. Implementation of the Act's policies may indeed be greatly facilitated by preservation of concurrent state and federal jurisdiction over civil actions in exempted states, since private suit is obviously meant to furnish the major impetus to and means of enforcing truth in lending requirements, cf. *Ratner v. Chemical Bank New York Trust Co.*, 329 F. Supp. 270, 280 (S.D.N.Y. 1971), and the consumer plaintiff with a choice of forum has the distinct incentive of being able to elect whichever forum he considers in a position to resolve his claim more expeditiously and under more advantageous procedures. Moreover, necessarily prerequisite to total federal withdrawal from enforcement

efforts in any state would be in part the Board's determination that the state's judicial framework and applicable civil procedures adequately provided for enforcement of credit disclosure standards through private suit, cf. 15 U.S.C. § 1633; the Board could reasonably have concluded that Congress had not invited a federal administrative body to undertake the potentially invidious task of attempting thorough assessment of the comparative merits of a state's judicial arm, and certainly could have assumed that Congress would not sanction the only genuine alternative, a merely perfunctory approval.

Defendant also maintains that the challenged regulation, if authorized by Congress, is constitutionally infirm in purporting to expand federal jurisdiction to a class of cases involving citizens of the same state and arising wholly under state law. Cf. U. S. Const., Art. III, Sec. 2. But plaintiffs' truth in lending claim "arises under" the civil liability provisions of 15 U.S.C. § 1640, to which "(n)o . . . exemption shall be deemed to extend", cf. 12 CFR § 226.12 (c)(1) (1972), as plaintiffs' express jurisdictional invocation of 15 U.S.C. § 1640(e) sufficiently indicates. That a creditor's alleged breach of the continuing federally-imposed duty to disclose will be tested by reference to Board-approved state laws which comprise the federal disclosure requirements for purposes of suit under § 1640 is of no constitutional moment *per se*; a contrary holding would both ignore the reality that the "state" laws are essentially a federal product, fashioned after the federal statute and regulations, and improperly disregard the Board's exercise of judgment in accepting protective regulation in exempted states at least "substantially similar"

to the federal requirements generally applicable in the other states, an action surely within the agency's broad rule-making authority, cf. 15 U.S.C. § 1604, *Mourning v. Family Publications Service, Inc.*, *supra*, 41 U.S.L.W. at 4522-4523.

In this posture of the case, pendent jurisdiction over the related state law claim under Conn. Gen. Stat. § 42-83, *et seq.* should not be declined at the very outset. See, e.g., *Ives v. W. T. Grant Co.*, Civil No. 15,125 (D. Conn. Feb. 16, 1973); cf. *United Mine Workers v. Gibbs*, 383 U.S. 715, 725 (1966).

Defendant's motion to dismiss is accordingly denied.

Dated at New Haven, Connecticut, this 27th day of August 1973.

ARTHUR H. LATIMER
United States Magistrate

SO ORDERED

JON O. NEWMAN
United States District Judge